

A MODEL OF PERSONNEL DEVELOPMENT AND TRAINING
IN THE SOUTH AFRICAN ECONOMY,
WITH SPECIFIC REFERENCE TO THE TRAINING OF BLACK MIGRANT WORKERS
USING EDUCATIONAL TELEVISION.

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by: PETER COLIN BERRY

A thesis submitted to the Faculty of Social Science,
University of Cape Town, Cape Town, for the degree of
Master of Social Science.

Johannesburg, 1975.

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P R E F A C E

My philosophy is straightforward. I believe that personnel development and training contribute to society by the development of individual potential and by improving the effectiveness of organizations. For the latter it is essentially an investment in manpower and as such it must meet the same stringent criteria which are applied to any form of investment.

The philosophy (itself) may so easily be regarded as straightforward; it is in the implementation of the philosophy that we tend to lose the straightforward approach.

This model attempts to trace a blue-print of personnel development and training from grass roots to successful operation. To best illustrate this transition, I have divided the thesis into three major parts. In chapters one to three, I introduce the personnel administrator, his position in the South African economy and the problems he faces at grass roots level. In chapters four and five, I deal with the establishment of a personnel development programme to deal with the problems confronting the personnel administrator. Chapters six to ten deal with the training model, the use of educational television, specific training programmes and the results obtained from such training programmes.

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To: LANCE JAPHET

(who had the will to create the opportunities)

ACKNOWLEDGEMENTS

I express my thanks firstly to Professor B. Helm, my supervisor, for her unfailing assistance, co-operation and support. Were it not for her progressive educational outlook, this research would have floundered.

To the staff of the Personnel Division at Epic Oil Mills (Pty) Limited, for their assistance and keen critical comment. They have been of great assistance in the writing of this thesis.

To the Librarians of the National Institute of Personnel Research, the National Development and Management Foundation, the University of the Witwatersrand and the University of Cape Town for their help.

To my secretary, Wilhelmien Dell, for whom the word "draft" has taken on a derogatory connotation, for her hard work.

To Doctor Mike Turner, whose devotion to industrial medicine is unfailing, for his assistance.

To Hugo Misselhorn for his help in drawing up a training model.

Finally, to the "Chancellor", "Vice-Chancellor" and "Lecturers" of the "University of Newtown", (Premier Milling Group of Companies) for their wholehearted support.

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TABLE OF CONTENTS

PREFACE	i
ACKNOWLEDGEMENTS	iii
LIST OF ILLUSTRATIONS	xi
LIST OF TABLES	xii
CHAPTER ONE	
1.1 INTRODUCTION	1
1.2 SOCIAL ROLE AS A CENTRAL CONCEPT	3
1.3 HISTORY OF OCCUPATIONAL SOCIOLOGY	4
1.4 HISTORY OF PERSONNEL ADMINISTRATION	8
1.4.1 EMPLOYMENT MANAGEMENT	10
1.4.2 INDUSTRIAL PSYCHOLOGY	10
1.4.3 HUMAN RELATIONS SCHOOL	11
1.5 NATURE AND SCOPE OF PERSONNEL	12
1.5.1 EMPLOYMENT AND PLACEMENT	12
1.5.2 TRAINING AND DEVELOPMENT	13
1.5.3 WAGE AND SALARY ADMINISTRATION	13
1.5.4 BENEFITS AND SERVICES	13
1.5.5 PERSONNEL RESEARCH	13
1.5.6 SAFETY	14
1.5.7 LABOUR RELATIONS	14
1.6 BASIC FUNCTIONS OF PERSONNEL	14
1.6.1 STAFF FUNCTION	14
1.6.2 CONTROL FUNCTION	15
1.6.3 SERVICE OR FUNCTIONAL AUTHORITY	15
1.6.4 POLICY INITIATION AND FORMULATION	15
1.7 DUAL ROLE LOYALTY	15
CHAPTER TWO	
2.1 INTRODUCTION	23
2.2 THE ECONOMIC PROFILE OF SOUTH AFRICA	23
2.2.1 ECONOMIC UNITY AND INTERNATIONAL INTER-DEPENDENCE	23
2.2.2 STAGE OF SOUTH AFRICAN DEVELOPMENT	24
2.2.3 PREREQUISITES FOR ADEQUATE ECONOMIC GROWTH	25

2.3	BLACK PRODUCTIVITY IN SOUTH AFRICA	25
2.3.1	BLACK EDUCATION AND PRODUCTIVITY	28
2.3.2	MIGRATORY LABOUR	30
2.3.3	CONCEPT OF AN ADEQUATE WAGE	30
2.3.4	HEALTH AND MALNUTRITION	33
2.4	CONCLUSION	33

CHAPTER THREE

3.1	INTRODUCTION	38
3.2	HISTORICAL BACKGROUND AND DEVELOPMENT:	
	EPIC OIL MILLS (PTY) LTD	39
3.2.1	DEVELOPMENT OF THE OILSEED INDUSTRY IN SOUTH AFRICA	39
3.2.2	HISTORICAL DEVELOPMENT OF EPIC OIL MILLS (PTY) LTD	41
3.2.3	GROWTH OF EPIC OIL MILLS (PTY) LTD	44
3.3	ORGANIZATIONAL STRUCTURE OF EPIC OIL MILLS (PTY) LTD	50
3.4	APPOINTMENT OF A PERSONNEL OFFICER AT EPIC OIL MILLS (PTY) LTD	51
3.5	ADOPTION OF A MODEL OF PERSONNEL DEVELOPMENT AND TRAINING AT EPIC OIL MILLS (PTY) LTD	52
3.5.1	RATIONALE FOR A MODEL	53
3.5.2	THE MODEL OF PERSONNEL DEVELOPMENT AND TRAINING AT EPIC OIL MILLS (PTY) LTD	55
3.6	PHILOSOPHY OF THE HALFWAY-HOUSE APPROACH	60
3.7	RESEARCH FRAMEWORK	62
3.7.1	ACADEMIC RATIONALE TO RESEARCH FRAMEWORK	62
3.7.2	EXPOSITION OF THE RESEARCH FRAMEWORK	64
3.8	CONCLUSION	64

CHAPTER FOUR

4.1	INTRODUCTION: WAGE AND SALARY SYSTEM AS A PERSONNEL FUNCTION	66
4.1.1	KNOWLEDGE OF SYSTEM: A PREREQUISITE	66
4.1.2	SYSTEM VIS-A-VIS AGREEMENT	67
4.1.3	WAGES AND SALARY DISPUTES	67
4.1.4	KNOWLEDGE AND SKILL	68

4.2	ADAPTATION OF THE MODEL PERTINENT TO WAGE, SALARY AND ALLIED ADMINISTRATION	69
4.3	SELECTIVE EMPLOYMENT AND PLACEMENT	70
4.3.1	RECRUITMENT	70
4.3.2	APPLICATION BLANK	72
4.3.3	THE INTERVIEW	73
4.3.4	THE EFFECT OF NATIVES (URBAN AREAS) ACT ON THE LABOUR MARKET	85
4.3.5	PSYCHOLOGICAL TESTING	86
4.4	JOB ANALYSIS AND JOB EVALUATION	90
4.4.1	PREPARING FOR THE PROGRAMME	91
4.4.2	IMPLEMENTING THE PROGRAMME	92
4.4.3	WRITING JOB DESCRIPTIONS	94
4.4.4	EVALUATING THE JOBS	94
4.4.5	GRADING OF JOBS	101
4.4.6	PRICING THE JOB	101
4.4.7	PUTTING THE PROGRAMME INTO OPERATION	102
4.4.8	MAINTAINING THE PROGRAMME	102
4.5	CONCLUSION	103

CHAPTER FIVE

A PERSONNEL DEVELOPMENT PROGRAMME BENEFITS AND SERVICES, HEALTH AND SAFETY

5.1	INTRODUCTION: BENEFITS AND SERVICES	106
5.1.1	GROWTH OF BENEFITS AND SERVICES	107
5.2	TYPES OF BENEFITS AND SERVICES	108
5.3	WHY ADOPT BENEFIT AND SERVICE PROGRAMMES?	111
5.4	BENEFITS AND SERVICES PROGRAMME AT EPIC OIL MILLS	113
5.4.1	INNOVATION: SOCIAL AND RECREATIONAL PROGRAMME	116
5.4.2	INNOVATION: SOCIO-MEDICAL	116
5.5	HEALTH AND SAFETY	119
5.6	ESTABLISHING A SAFETY PROGRAMME	119
5.6.1	OBJECTIVES AND POLICY	119
5.6.2	ORGANIZATION	119
5.6.3	ESTABLISHING RESPONSIBILITY FOR SAFETY	120
5.6.4	ACCIDENT ANALYSIS AND TABULATION	120
5.6.5	EDUCATION AND TRAINING	121
5.6.6	ENFORCEMENT	124
5.6.7	HEALTHFUL WORK ENVIRONMENT	125

CHAPTER SIX

THE TRAINING FUNCTION

6.1	INTRODUCTION	127
6.2	TRAINING DEFINED	127
6.3	TANGIBLE BENEFITS OF TRAINING	
6.3.1	REDUCED LEARNING TIME TO REACH ACCEPTABLE PERFORMANCE	128
6.3.2	IMPROVED PERFORMANCE ON PRESENT JOB	128
6.3.3	ATTITUDE FORMATION	128
6.3.4	AID IN SOLVING OPERATIONAL PROBLEMS	129
6.3.5	FILL MANPOWER NEEDS	129
6.3.6	BENEFITS TO EMPLOYEES THEMSELVES	129
6.4	ORGANIZATION FOR TRAINING	130
6.5	LINE TRAINING RESPONSIBILITIES	131
6.6	DISCOVERING TRAINING NEEDS	131
6.7	THE LEARNING PROCESS	133
6.7.1	PRINCIPLES OF LEARNING	133
6.8	EVALUATION OF THE TRAINING EFFORT	137
6.9	CONCLUSION	138

CHAPTER SEVEN

EDUCATIONAL TELEVISION

7.1	INTRODUCTION	141
7.2	EVALUATION OF EDUCATIONAL TELEVISION	144
7.2.1	WHAT TO EVALUATE	146
7.2.2	THE TECHNIQUES OF EVALUATION	148
7.2.3	ANALYSIS OF RESULTS	150
7.3	THE PERSONNEL/TRAINING ADMINISTRATOR AND EDUCATIONAL TELEVISION	151
7.3.1	THE NEED FOR A NEW TRAINING LEADERSHIP AND STATESMANSHIP	152
7.4	RELATING TRAINING NEEDS TO TELEVISION SYSTEMS	153
7.5	CONCLUSION: THE FUTURE FOR EDUCATIONAL TELEVISION	154

CHAPTER EIGHT

A. TRAINING PROGRAMME FOR BLACKS

8.1	INTRODUCTION	158
8.2	THE BLACK MIGRANT WORKER	158

8.3	A TRAINING MODEL	160
8.4	A SOCIOLOGICAL ANALYSIS OF THE INDUCTION PRACTICE	163
8.5	AN INDUCTION PROGRAMME	172
8.6	THE TRAINING OF BLACK SUPERVISORS	173
8.6.1	PROGRAMME OBJECTIVE	173
8.6.2	PROGRAMME OUTLINE	174
8.6.3	PROGRAMME ORGANISATION	175
8.6.4	NOMINATION OF PARTICIPANTS	175
8.6.5	SUPPORT	176
8.6.6	DIRECT RESULTS	176
8.7	CONCLUSION	176
CHAPTER NINE		
A TRAINING PROGRAMME FOR WHITES		
9.1	INTRODUCTION	179
9.2	INTRODUCTION OF THE THREE-TIER PATTERN OF TRAINING	179
9.2.1	JOB DESCRIPTION	180
9.2.2	INVESTIGATING THE TASK CONTENT OF JOBS. SPECIFIC TO THE TIERS	181
9.3	TRAINING OF THE MANAGERIAL TIER	182
9.4	TRAINING OF THE INTERMEDIATE TIER	185
9.5	TRAINING OF THE LOWEST INTERMEDIATE TIER	186
9.6	CONCLUSION	189
CHAPTER TEN		
RESULTS		
10.1	INTRODUCTION	192
10.2	THE MEANING OF TERMS	193
10.3	MEASUREMENT OF ATTITUDES	194
10.4	DESIGN OF STUDY	198
10.4.1	SAMPLE	198
10.4.2	INTERVIEWING	201
10.4.3	CODING	202
10.4.4	PRODUCTION RECORDS	202
10.5	USE OF INDICES TO MEASURE ATTITUDINAL VARIABLE	203
10.6	THE RELATION OF - SUPERVISORY PRACTICES AND ATTITUDES TO PRODUCTIVITY	205

10.7 EMPLOYEE ATTITUDE AND ABSENTEEISM	207
10.8 CONCLUSION	207
CHAPTER ELEVEN	
CHARTING A COURSE FOR THE FUTURE	
11.1 INTRODUCTION	211
11.2 LINE MANAGERS OF THE FUTURE	211
11.3 PERSONNEL MEN OF THE FUTURE	213
11.4 A FUTURE FOR PHILOSOPHERS	216
11.5 THE TRAINING JOB AHEAD	217
11.6 CONCLUSION - FAREWELL TO THE HAPPINESS BOYS	218
APPENDIX A	220
PERSONNEL GUIDE TO MANAGEMENT ON RECRUITMENT, EMPLOYMENT AND PLACEMENT	
APPENDIX B	227
APPLICATION BLANK - APPLICATION FOR EMPLOYMENT	
APPENDIX C	228
APPLICANT SCREENING PROFILE	
APPENDIX D	229
PERSONNEL GUIDE TO MANAGEMENT ON SALARY ADMINISTRATION PROGRAMME	
APPENDIX E	240
PERSONNEL GUIDE TO MANAGEMENT ON WAGE ADMINISTRATION	
APPENDIX F	258
EMPLOYEE BENEFIT PLAN	
APPENDIX G	287
NOTE ON INDUCTION - WELCOME TO THE NEW MAN	
APPENDIX H	300
SUPERVISORY MANAGEMENT SCHOOL JOHANNESBURG	
APPENDIX I	306
ATTITUDE QUESTIONNAIRES IN ZULU, SOTHO AS USED IN ATTITUDE SURVEY BY TRAINED INTERVIEWER	

APPENDIX J

309

WEEKLY PRODUCTION RECORDS (BY COST CENTRE)

BIBLIOGRAPHY

310

-----ooOoo-----

LIST OF ILLUSTRATIONS

FIGURE 5	45
RATIO OF PROFIT TO TURNOVER ON A YEARLY BASIS	
FIGURE 6	49
ORGANIZATIONAL STRUCTURE OF EPIC OIL MILLS (PTY) LTD	
-- MID - 1972.	
FIGURE 8	93
FLOW DIAGRAM OF THE JOB ANALYSIS AND JOB EVALUATION PROGRAMME	
FIGURE 9	117
TOTAL ACCIDENTS, MAY 1973, TO SEPTEMBER 1974.	
FIGURE 10	122 - 123
ACCIDENT REPORT FORM	
FIGURE 11	161
A TRAINING MODEL FOR BLACKS	
FIGURE 18	208
EMPLOYEE ATTITUDE AND ABSENTEEISM	

-----ooOoo-----

LIST OF TABLES

TABLE 1	26
ECONOMICALLY ACTIVE POPULATION OF THE REPUBLIC OF SOUTH AFRICA, 1970	
TABLE 2	27
GROSS NATIONAL PRODUCT IN RANDES PER CAPITA OF CERTAIN COUNTRIES IN 1967	
TABLE 3	29
PERCENTAGE OF NATIONAL INCOME SPENT ON EDUCATION DURING 1966	
TABLE 4	32
POVERTY DATUM LINE, SOWETO 1970	
TABLE 7	82
RELIABILITY AND VALIDITY OF JUDGEMENTS OF SELECTED HUMAN TRAITS AND CHARACTERISTICS IN INTERVIEW-LIKE SITUATIONS	
TABLE 12	196
STATEMENTS USED IN BERGEN'S SCALE OF MEASUREMENT OF ATTITUDE OF EMPLOYEES TOWARD THEIR COMPANY	
TABLE 13	199
DEMOGRAPHIC CHARACTERISTICS OF NON-SUPERVISORY EMPLOYEES INTERVIEWED	
TABLE 14	200
DEMOGRAPHIC CHARACTERISTICS OF SUPERVISORY EMPLOYEES INTERVIEWED	
TABLE 15	203
RELATION OF EMPLOYEES MORALE IN WORK GROUP TO SECTION (COST CENTRE) PRODUCTIVITY	

TABLE 16	205
COST CENTRE COMPARISON	

TABLE 17	206
RELATION OF PROPORTION OF TIME SPENT IN	
SUPERVISION TO SECTION (COST CENTRE) PRODUCTIVITY	

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CHAPTER ONE

THE ROLE OF THE PERSONNEL ADMINISTRATOR

1.1 INTRODUCTION

The personnel administrator is likely to carry several roles at the same time, some of which may appear to be contradictory. It is therefore difficult to make statements about this work that would be true for all cases.

The roles carried out by the personnel specialist depend initially on the level at which personnel administration is carried out. Analysis of the South African personnel administration field reveals five distinguishable levels at which personnel specialists operate. These are as follows:

Consultancy

This involves the application of academic expertise and diagnostic techniques in analysing complex problems in the commercial, social, and technical environment of the organisation, so that planned changes can be brought about.

Employment Planning

This involves continuing attention to making the procedures and systems of employment policy fit the technical, commercial, and organisational changes brought about by management or forecast as likely to occur. The two critical areas here seem to be manpower development planning, and training.

Maintenance Procedure

By this is meant the upkeep of the existing employment machinery with the least disturbance to the production process or to costs. At this level, problems are always urgent and time short, so that solutions may be temporary.

Operational Procedure

At this level, specialists operate specific procedures or pursue particular objectives. Specialists are concerned with carrying out acknowledged and familiar routines which might include the administration of safety programmes or canteens, recruitment, employment interviewing, and wage administration.

Clerical Activities

This incorporates clerical activities in large personnel departments and the kind of vestigial personnel activities which may be carried out in smaller companies by a staff officer or secretary -- primarily record-keeping, welfare, and punctuality checking.

In South Africa, there has been a general move upwards towards the first two levels of performance; namely, the 'consultancy' and 'employment planning' levels. The 'consultancy' level remains however, almost unoccupied. There are some signs that in very large organisations this is changing: large units in the South African economy have engaged consultants to carry out extensive regional employment surveys, and one has also recently appointed a sociologist.

A further important determinant of role appears to be the size and structure of the organisation. Size influences the level at which the personnel administrator operates. The consultant and planning levels may be found only in large organisations, and in the small organisations the personnel administrator is more likely to be preoccupied with operational, even clerical problems. But size and structure are important in other respects. Many South African enterprises are branches of national organisations with distant head offices. In this situation, the unit personnel staff are sometimes uncertain of the amount of discretion allowed and this uncertainty can further complicate the familiar problems of the personnel administrator's status and influence.

The personnel field is particularly suitable as an arena for fighting over internal conflicts. Local line management's prime concern

is to maintain uninterrupted production and is thus prepared to pay competitive rates. The central personnel department may be more concerned about preserving the company payment structure and maintaining the consistencies of an employment policy against the damage done by precedent, such as making settlements under pressure. The personnel specialist is pulled in different directions -- to head office for 'professional' loyalty, to local management by personnel ties and practical demands. The position finally taken up in this struggle depends upon a number of influences, but there are two important forces: the size of the personnel unit, and the nearness to the production process. If the unit is sufficiently large, it is likely to carry prospects of financial and career rewards, so patronage is not monopolised by head office's personnel department. Secondly, the nearer the personnel administrator is to the production process -- that is, the less the personnel specialist is involved in long-distance administration -- the more likely the personnel administrator is to sympathise with the requirements of general management. He will thus be less insulated from its sometimes powerful influences.

It is evident that a great deal of confusion about the role of the personnel administrator has been caused, first by the assumption that there is a single role and, second, by applying methods which are appropriate only, for one set of roles at one level of operation, to other roles and levels. It is therefore, very necessary to create a framework for analysis to understand fully the role of the personnel administrator.

1.2 SOCIAL ROLE AS A CENTRAL CONCEPT

The book, Character and Social Structure by Gerth and Mills⁽¹⁾ is noteworthy because of the attempt the authors make to use social role as a central concept unifying the psychological and sociological outlooks, an enterprise in the style of Parsons. Character (the first word in the title) connotes the individual as a whole entity, but in which may be distinguished the organism, the psychological structure, and the person or man as player of roles.

The importance of role is brought out in the view that society as a structure is composed of numerous institutional roles.

Argyris⁽²⁾ has shown that some individuals have highly stabilized roles, i.e. the parts and their organisation do not continually change to the point where the individual's behaviour is continually altered. It would be interesting to test the implications of this research. It implies that a role is as stable as the individual's self-concept. From what is known about the self-concept it might be possible to predict the way an individual will tend to organise his role if one knows the individual's self-concept and the work environment in which he is imbedded. To broaden this schema, it is necessary to deal first with the work environment specific to personnel administration.

1.3 HISTORY OF OCCUPATIONAL SOCIOLOGY

As the field of personnel administration has grown in importance, the occupation most commonly called 'personnel manager' has proliferated. The growth of a subfield of sociology devoted to the study of occupations has paralleled the rise of the personnel manager.

A discussion of the ideas of the major intellectual precursors of the field of occupational sociology is important background, even though a hard look at the works of these fathers of sociology reveals little that deals directly with the focal concern of the present study. Marx's interest in worker alienation, Weber's interest in bureaucratic rationality, and Durkheim's concern with the division of labour constitute the major contributions of the sociological giants to occupational sociology.

Marx, Weber, and Durkheim are primarily of historical interest to the field of occupational sociology⁽³⁾. More recently it was Robert Park, and Park's influence on Everett Hughes, which gave occupational sociology its major boost. It is Robert Park who, in his book The City, led sociology into the study of occupations.

The following is an extensive quotation from The City which is cited in its entirety because it is one of the bases of occupational sociology:

Every device which facilitates trade and industry prepares the way for a further division of labour and so tends further to specialise the tasks in which men find their vocations.

The outcome of this process is to break down or modify the older social and economic organisation of society, which was based on family ties, local associations, on culture, caste, and status, and to substitute for it an organisation based on occupation and vocational interests.

In the city every vocation, even that of a beggar, tends to assume the character of a profession and the discipline which success in any vocation imposes, together with the associations that it enforces, emphasizes this tendency - the tendency, namely, not merely to specialize, but to rationalize one's occupation and to develop a specific and conscious technique for carrying it on.

The effect of the vocations and the division of labour is to produce, in the first instance, not social groups, but vocational types: the actor, the plumber, and the lumber-jack.

The organisations like the trade and the labour unions which men of the same trade or profession form, are based on common interests. In this respect they differ from forms of association like the neighborhood, which are based on contiguity, personal association, and the common ties of humanity. The different trades and professions seem disposed to group themselves in classes, that is to say, the artisan, business, and professional classes. But in the modern democratic state the classes have as yet attained no effective organisation. Socialism, founded on an effort to create an organisation based on 'class consciousness' has never succeeded, except, perhaps in Russia, in creating more than a political party.

The effects of the division of labour as a discipline, i.e. as means of molding character, may therefore be best studied in the vocational types it has produced. Among the types which it would be interesting to study are: the shopgirl, the policeman, the peddler, the cab-man, the night-watchman, the clairvoyant, the vaudeville performer, the labour agitator, the quack doctor, the bartender, the ward boss, the strike-breaker, the school teacher, the reporter, the stockbroker, the pawnbroker; all of these are characteristic products of the conditions of city life; each, with its special experience, insight, and point of view determines for vocational group and for the city as a whole its individuality⁽⁴⁾.

Park's orientation led to a number of studies of occupations, of which the most famous are of the hobo⁽⁵⁾, the taxi-dance hall girl⁽⁶⁾, and the professional thief⁽⁷⁾. In Peter Berger's view, a critical turning point is Cottrell's study of the railroader which marked the transition from the study of disreputable to reputable occupations. It is from this point on, according to Berger, that occupational sociology moves out of the exclusive domain of the University of Chicago⁽⁸⁾.

Under the influence of Park and the Chicago School of Sociology, Everett Hughes emerged as the major force in occupational sociology. In an article in the 'American Journal of Sociology' in 1928, Hughes discussed the following topics which became focal concerns of occupational sociology:

(a) occupational culture (b) collegueship, (c) occupational selection, (d) the secularized division of labour of contemporary society, (e) backgrounds of individuals entering specific occupations, (f) mobility, (g) a typology of different levels of our division of labour, (h) occupation and personality, (i) professionalization, (j) career patterns⁽⁹⁾.

In a later article in the same journal, Hughes gave a rather concise statement of his interest in occupations in general and career patterns in particular:

A study of careers --- of the moving perspective in which persons orient themselves with reference to the social order, and of the typical sequences and concatenations of office --- may be expected to reveal the nature and 'working constitution' of a society. Institutions are but the forms in which the collective behaviour and collective action of people go on. In the course of a career the person finds his place within these forms, carries on his active life with reference to other people, and interprets the meaning of the one life he has to live⁽¹⁰⁾.

Everett Hughes has continued to be interested in occupational sociology and remains productive. Above all, he has interested a number of his students in occupational sociology. Due in great

part to his urging, there has been a proliferation of studies of particular occupations.

A recent article has compared the status of occupational sociology between 1946 - 1952 and 1953 - 1959 on the basis of writings in the field⁽¹¹⁾. The two time periods are compared below in terms of published articles on occupational groups.

	1946 to 1952	1953 to 1959
Professional persons	58%	48%
Proprietors, managers, and officials	18	22
Clerks and kindred workers	3	2
Skilled workers and foremen	3	2
Semiskilled	8	7
Unskilled	1	10
Military	9	9

Clearly, the major changes have been the decline in concentration on professions and the increased interest in unskilled workers.

Next follows a comparison of the writings in the two time periods in terms of subject matter.

	1946 to 1952	1953 to 1959
Career	23%	13%
Status and mobility	14	21
Ethnic	13	8
Working force	11	8
Occupational role and personality	9	16
Occupation Comparisons	4	5
Methodology	4	8
Client-professional relations	3	1
Occupation culture and ethnics	2	10
Miscellaneous	10	5

Thus the growing fields in occupational sociology appear to be: status and mobility, occupational role and personality, methodology, occupational culture and ethics. Declining in interest are such topics as career and, surprisingly, ethnic occupational issues.

There is increased theoretical orientation in the period 1953 - 1959. In 1946 - 1952 a fourth of the articles lacked a theoretical orientation. In contrast, in the more recent period, less than a twentieth of the articles lacked a theoretical framework. The social structural orientation grew in popularity from 13 to 31 percent in 1953 - 1959. Role theory has grown comparably from 7 to 21 percent. In contrast, the historical approach has diminished in use from 10 to 4 percent. Finally there is a greater use of statistics in the later period. The present study is clearly in the main stream since it deals with role theory and includes statistical materials.

1.4 HISTORY OF PERSONNEL ADMINISTRATION

The function of providing manpower resources and effective leadership in their utilization, in the interest of developing a highly motivated and smooth-running force, is performed by all supervisors, managers, and executives of an organisation, but is institutionalized in a personnel department.

In organisations that are large enough to warrant it, personnel practitioners are employed in a separate staff unit or department. Therefore, the growth of the personnel occupation parallels, in general, the development and growth of the modern organisation and, specifically, the development and growth of the personnel department and its function with organisations. In examining the historical development of personnel, as a separate occupation within an organisation, an attempt will be made (i) to describe the factors contributing to the growth of the personnel department; (ii) to describe the increase in the body of knowledge regarding human behaviour that affects personnel policies and procedures; and (iii) to show how the trends that affect the development of the personnel

function led, also, to the development of numerous specializations within the personnel field.

The beginnings of personnel administration, and the problems that led to its creation, did not arise until large aggregations of people came to work together in one organisation.

The spread of large-scale organisations especially in the American economy dates from the beginning of the twentieth century. This, then, is a convenient starting point for the history of personnel administration.

Prior to and during World War I, two factors contributed to the rise of the employment management department, the predecessor of the modern personnel department. They were found by Eilbirt,⁽¹²⁾ as well as by F.B. Miller and M.A. Coghill⁽¹³⁾ to be 'welfarism' and scientific management.

Welfarism, or paternalism, a movement found both in society at large and within industries, was

aimed at improving the general tenor of living and the standards of the poor and unfortunate --- In essence, welfare work sought to ameliorate the hardworking life --- Towards this end, management made available various facilities such as libraries and other recreational premises offered financial assistance for education --- provided medical care and instituted hygienic measures⁽¹⁴⁾.

Also, during this period workmen's compensation laws were passed to

hold the employer financially responsible for all injuries occurring to workers while on the job --- The passage of these laws was a prime force in causing employers to take positive steps to reduce and prevent work injuries and to organise company health programmes.

The central tenet of Taylor's theory was man's profit motive. He reasoned that the more closely pay was related to work effort and output, the harder a man would work and the more he would produce.

Various methods of measuring worker output and ways of relating pay to it were devised --- (1) pay should be on merit of performance (2) the time unit should be as small as possible. The ideal situation is piece-work wages in which pay is directly dependent on the actual amount of work accomplished⁽¹⁶⁾.

1.4.1 EMPLOYMENT MANAGEMENT

The shift in attention from welfare management to scientific management resulted about 1912 in the development of employment management departments⁽¹⁷⁾. Such departments grew in number and in functions assigned to them during this period and up to about 1925. The core functions of these departments were recruiting, selection, job placement, and record keeping. Some companies also delegated to them the administration of the welfare programme, the training programme, and the settlement of complaints and grievances. These functions grew out of (a) Taylor's demand for proper selection and placement of workers on jobs where they could be superior producers; (b) the demands created by World War I for thousands of workers; (c) the high cost of labour turnover; and (d) the need to relieve overworked foremen of the tasks of hiring and firing. These multiple-function departments became the forerunners of the modern personnel departments.

Following World War I, further major developments arose which still have bearing on the personnel field.

1.4.2 INDUSTRIAL PSYCHOLOGY

The field of industrial psychology, receiving its impetus in 1913 from the publication of Hugo Munsterberg's Psychology and Industrial Efficiency⁽¹⁸⁾ created tests to measure suitability of applicants for specific job vacancies.

The principles of industrial psychology applied to employment, job placement, and promotion, and also to training. The use of industrial psychology was accelerated during

World War I by the need both to place draftees on jobs to which they were best suited, and to train them quickly and efficiently to handle those jobs. This technically augmented function was assigned to personnel departments.

1.4.3 HUMAN RELATIONS SCHOOL

Recent trends in personnel administration, since 1950, are outgrowths of the Human Relations School and the increased role and influence of the behavioural sciences in industry. Included in these trends are: increased research capacity and interest; management development; public and community relations; manpower and organisational planning. This emphasis on the ideas prevalent in the behavioural sciences grew out of a reaction to a classical and formal approach (e.g. scientific management).

Elton Mayo, the father of the School, and his associates discovered that: (a) the amount of work carried out by a worker (hence, his level of efficiency) is not determined solely by his physical capacity, but also by his social capacity; (b) non-economic rewards play a central role in determining the motivation and the happiness of the worker (c) the highest specialization is by no means the most efficient form of the division of labour; (d) workers do not react to management and its norm and rewards as individuals, but as members of groups. Above all, the Human Relations School emphasized the roles of communication, participation, and leadership in encouraging employee productivity⁽¹⁹⁾.

These conclusions were the result of many field and experimental studies conducted by social scientists. The most famous of these is Roethlisberger and Dickson's study of Western Electric's Hawthorne works, published in 1939 as Management and the Worker⁽²⁰⁾.

Its effect on the functions assigned to the personnel department has been two-fold. First, it forced the creation

of both an internal (company publications) and external (community and public relations) communications function. Second, personnel research departments were set up to go more deeply into such topics as human motivation, leadership, job satisfaction, group relations, communication, supervision, and discipline. The systematic body of knowledge in the field of human relations has been developing and growing. As the behavioural sciences (sociology, psychology, social psychology) are applied to the study of industrial man, the field has come to be retitled 'organisational behaviour'.

The early history of the growth of the personnel occupations can be summarized in three general prevailing trends: (i) the 'welfare trend' which emphasized personnel as the department for helping people in an organisation and was further strengthened by government legislation; (ii) the 'trash-can trends' which dumped burdensome or unpleasant tasks, not clearly assigned to any other department, into personnel; and (iii) the 'professionalization trend' which grew out of the demand for expertise in union negotiations, application of industrial psychology and other behavioural sciences, and recent management recognition of the essential part personnel plays. The diversified image and mission of the personnel department today reflects these historical trends.

1.5 NATURE AND SCOPE OF PERSONNEL

From the historical review in the preceding section, it can be seen that as personnel occupation developed many specialties accrued to this field. The scope of these is shown in the following descriptions of the major specialties in personnel.

1.5.1 EMPLOYMENT AND PLACEMENT

This area includes recruitment, selection, placement, orientation, personnel ratings, job analysis, job description, transfers, and termination. Its purpose is 'to con=

trol the flow of people in and out of the various jobs in the organisation' ⁽²¹⁾.

It has a direct effect on the quality and quantity of the people in the organisation. Very often it is broken down into two divisions that control the management: the (salaried) level and the non-management (hourly) level.

1.5.2 TRAINING AND DEVELOPMENT

'Training in organisations is the process of applying the appropriate educational method to those situations in an organisation in which improved performance (production) can result from better learning ⁽²²⁾. This specially includes among its duties: induction, on-the-job-training, supervisory training, and management development.

1.5.3 WAGE AND SALARY ADMINISTRATION

The special purpose of this is to compensate employees for their services in an attempt to direct and motivate them to attain desired standards of performance and behaviour ⁽²³⁾.

The derivative duties of wage and salary administration include installing and designing job evaluation programmes, and periodic wage and salary surveys both internally and externally in companies in similar industries or in the same geographical area.

1.5.4 BENEFITS AND SERVICES

Most firms are required by labour contracts and/or various laws to provide fringe benefits to their employees. Benefits and services are primarily responsible for administering insurance, health, hospitalization, medical care, pension and retirement plans.

1.5.5 PERSONNEL RESEARCH

The central focus of personnel research is to conduct

studies of personnel policies, programmes, and practices and to examine how these can be made to contribute more effectively to the goals of the organisation.

1.5.6 SAFETY

Within any organisation, the employer has a responsibility to maintain the kind of physical establishment that provides working conditions that are best from a safety point of view. The safety speciality, therefore, co-ordinates accident prevention programmes, checks for conditions hazardous to employees, and conducts a safety education programme for both supervisors and employees.

1.5.7 LABOUR RELATIONS

This speciality is concerned primarily with negotiating formal written agreements and contracts with the unions, and for the daily administration of these agreements. Such contracts usually fix the price of labour, determine hours and working conditions, and introduce employee initiative into the relationship between employees and employer.

1.6 BASIC FUNCTIONS OF PERSONNEL

1.6.1 STAFF FUNCTION

The personnel department, as a staff function, operates to help the line or operating departments perform their jobs more effectively. As such, its authority is theoretically confined to advising, counseling, and assistance. The supervisors need not abide by the recommendations or advice given by the personnel department. Nevertheless, like any staff official, the personnel man's authority for specialized help soon becomes accepted if for no other reason than he is a specialist in one particular area. Thus the scope of the effectiveness of his advice is bounded by his recognized competency.

1.6.2 CONTROL FUNCTION

Two control activities given to personnel, and identified by Strauss and Sayles in their book, Personnel, are the audit and stabilization functions⁽²⁵⁾.

In this auditing activity, it appraises how well managers have been doing their jobs, after the fact. In performing its stabilization function, personnel makes sure all policies are being administered properly, by giving permission 'to go ahead' only after personnel has seen and passed on all requests from other departments to act on personnel matters.

1.6.3 SERVICE OR FUNCTIONAL AUTHORITY

In addition to its staff and control activities, personnel has been granted functional authority for particular services or activities. It is to these service functions (such as planning company picnics, record keeping, and handling the cafeteria) that Dalton McFarland refers as the 'trash-can' functions. They are, in his words, 'a broad array of functions having little to do with the major goals of personnel administration'⁽²⁶⁾.

1.6.4 POLICY INITIATION AND FORMULATION

The executive in charge of the personnel function, be he the vice-president in charge of personnel at the corporate level or a personnel manager at either a local plant level or in a small company, is usually in charge of policy initiation and formulation. He proposes and drafts new policies or revisions to cover recurring problems or to prevent anticipated new ones. But it is usually only through a top line official that the policy is issued and instituted.

1.7 DUAL ROLE LOYALTY

The personnel occupations have had a checkered history: two ba=

sic concepts dominated the early history of personnel.

The first of these saw personnel administration as extending welfarism into business. The goal of personnel administration in this view was to make a better life for the employees.

Employee counselling, which continues to be a typical function of the personnel department, is an example of the lingering ideals of welfarism. Another view of personnel administration which remains viable today is the 'trash-can' use of the department. That is, functions which no other department wants are assigned to the personnel department. 'Plant protection activities (guards), fire-fighting services, in-company telephone services, and reception desk activities -- all tend to find their way into the personnel department⁽²⁷⁾. A personnel executive summarizes the trash-can view of personnel administration as follows.

One of the troubles of my company is that they use personnel as a dumping ground for all kinds of things. We have been kept terrifically busy lately, but a lot of it is stuff that you usually do not find in a personnel department. Every time something comes up that they want handled, and they don't know exactly where else to put it, they give it to us. That way I have to spend about half of my time doing things that aren't really the job of the personnel man⁽²⁸⁾.

Both the welfare and the trash-can concepts continue to pervade personnel administration. A new view of personnel administration as a rising profession has begun to grow in recent years.

As such it has, in some organisations, been accorded increasing influence and prestige. Personnel administration has become a respectable academic field. Many business schools offer courses in personnel administration and it is possible to major in this subject. Several universities have even established separate schools devoted to personnel administration (a South African example is the University of Witwatersrand). In addition, a large number of professional personnel associations have developed at the local and national levels, of which the South African Institute of Personnel Management is an example. Finally, there is

movement toward certification of personnel managers (IPM Diploma Course).

It appears that there are three distinct and conflicting views of the nature of personnel administration. We believe that it is the concurrent influence of the three occupational ideologies which enables, indeed forces, a personnel manager to be committed to both his occupation and his organisation. It would seem that two of the ideologies (welfare and trash-can) lead to organisational commitment. On the other hand, the third ideology (professionalism) enhances occupational commitment.

The trash-can ideology leads to organisational commitment in at least two ways. First, if the personnel manager views his occupation, the personnel manager must commit himself to the organisation in order to make his work life meaningful and satisfactory. Organisational commitment, therefore, arises because the occupation has no real substance with which to identify.

It is possible for the personnel manager to identify in part with his occupation because there is more to it than meaningless tasks. The moderate occupational commitment found in the present exposition is in recognition of the more worthwhile aspects of the personnel occupations. In order, however, to make his work life fully meaningful, the personnel manager is forced to commit himself to both occupation and organisation.

Even though the trash-can ideology is no longer acceptable to many personnel managers, it still has an effect on the occupation. In many cases, organisations retain this view of the personnel department even after personnel managers have abandoned it.

Such an organisational view results in a personnel department dominated by unimportant or dull work. The results are the same as if the personnel manager himself believed the department to be the organisational dumping ground -- a lack of a meaningful occupation with which to identify and a growing dependence on, and

commitment to, the organisation.

The welfare view of personnel administration has many of the same effects on the personnel manager, even though it is not as distasteful as the trash-can view. In the welfare ideology, the personnel manager sees himself, and is seen by the organisation, as a servant of the employees. He makes no decisions himself, rather he is the advisor to those who seek his counsel. Although such an occupational ideology smacks of martyrdom, it has very little meaningful activity to which a personnel manager may commit himself. Servant of the people may constitute a meaningful occupation for a priest, but it certainly has little status in industry. In an article by Miller and Coghill⁽²⁹⁾, this view was associated with the idea that the personnel occupations are, in many ways, feminine occupations. If this view is valid, it is another reason why it is extremely difficult for a man to commit himself to this kind of work.

As with the trash-can ideology, the personnel manager who recognizes the quasi-welfare aspect of the occupation has little with which to identify. It makes little difference whether the organisation, or the individual personnel manager, views personnel administration as a quasi-welfare service. If either has this view, the occupation becomes comparatively meaningless. The alternative is commitment to the organisation. (In context quasi-welfarism bears no association with the work undertaken by qualified social workers in the industrial/commercial complex).

Counterbalancing these views of personnel administration is a professional personnel ideology. If either the organisation or the individual personnel manager views personnel administration as a profession, there is a strong chance for occupational commitment. Because such a view as personnel administration is gaining recognition, this exposition revealed some degree of occupational commitment. One of a number of factors affecting the growth of the professional ideology in personnel administration is the greater awareness on the part of management of the human factor in industry.

Such personnel problems as absenteeism, high personnel costs, increasing unionization, and the need for more skilled workers have enhanced the status of personnel. For the first time, the personnel department emerges as equally important to the organisation as the accounting or engineering departments.

As human problems in industry have increased, so has the need for expertise in these matters. This has led to the creation of special courses, even special schools, designed to teach people how to deal with these problems. This gives personnel managers, for the first time, a specialized body of knowledge which further enhances their status in the organization. As the abilities of personnel managers grow, important new functions are assigned to their department. In addition, many of the meaningless chores are either moved elsewhere or made into an insignificant part of the department's activities. With these changes taking place, it is easy to see why it is now possible for the personnel manager to become committed to his occupation.

All three of these ideologies, trash-can, welfare, and professional, exist today in the personnel occupations. It is their coexistence which does much to explain many of the findings in the present exposition. For example, the presence of these ideologies helps to explain the coexistence of occupational and organisational commitment. Since personnel managers are affected by all three ideologies, they are naturally split in their allegiance. Lingering trash-can and quasi-welfare ideologies lead towards organisational commitment.

Emerging professionalization pulls in the other direction, toward occupational commitment. Because the personnel manager sees himself, and others view him, in all three roles, a dual commitment is able to exist.

This dual commitment is perpetuated by forces which continue to pull the personnel manager in both directions. One view which keeps him committed to the organisation is that personnel adminis-

tration involves no real expertise and that consequently anyone can do the job. Other factors tug the personnel manager in the direction of occupational commitment; for example, the increasing number of schools and institutes of industrial relations, and a growing body of personnel theory.

In sum, the case of the personnel manager illustrates a theory of organisational commitment. The occupation as a whole is only partially meaningful; therefore personnel managers are only moderately committed to it. To make his work life meaningful, the personnel manager must supplement his commitment to the occupation with some degree of organisational commitment.

Hypothesised is the fact that a model-approach to personnel development and training might supplement this commitment to the occupation with some degree of organisational commitment.

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CHAPTER TWO

THE CONTEMPORARY SOUTH AFRICAN ECONOMIC STRUCTURE WITH REFERENCE TO PERSONNEL ADMINISTRATION

2.1 INTRODUCTION

The onus of indicating the relevance of a knowledge of economics to the management activity cannot be evaded if the approach to the subject is made from the direction of the actual business world. Instead of dwelling chiefly on theory, with an occasional illustration from an ideal world, one should start with actual management decision-making. Following with an analysis of how such decision-making is influenced by the general economic environment (within which decisions must inevitably be made). Underlying economic principles, provided these are strictly relevant, may then be introduced. This indeed is the way economics started; from an observation of the contemporary industrial and commercial scene by eighteenth-century writers like Adam Smith⁽¹⁾, who generalised from the thousand and one particular cases to create a theory of economics.

2.2 THE ECONOMIC PROFILE OF SOUTH AFRICA

Industry is South Africa's main productive contributor to its gross national product. Manpower, the intangible wealth of the nation, is its most important resource. It could be argued that, on a long term basis, 'the man-year of brains and brawn' is the only ultimate resource of mankind. On its efficient use everything else depends. Eighty per cent of the 'brains and brawn' in South Africa is Black and assists in providing goods needed by a community which is 83% Black.

2.2.1 ECONOMIC UNITY AND INTERNATIONAL INTER-DEPENDENCE

South Africa is a pluralistic society consisting of different race groups at different stages of development. A great deal of emphasis has been placed on the points of difference arising in this situation but three factors stand out clearly.

2.2.1.1 South Africa has one economy and its prosperity is based on the contribution made by all the different communities. The economic system is irrevocably integrated and forced fragmentation will lead to economic failure.

2.2.1.2 It is easier to narrow the gap between the 'haves' and the 'have nots' and to maintain racial peace in an expanding economy rather than in a contracting economy.

2.2.1.3 South Africa is part of an evershrinking world of rapid change and national economic systems which are becoming more and more inter-dependent.

2.2.2 STAGE OF SOUTH AFRICAN DEVELOPMENT

Rostow⁽²⁾ contends that, historically, there are five stages of national economic growth. (South African dates are shown in brackets)⁽³⁾

- | | |
|--|----------------|
| 1. Traditional society | (1652 - 1820) |
| 2. Transitional preparation for take off | (1820 - 1933) |
| 3. Take off into self-sustained growth | (1933 - 1945) |
| 4. Drive to maturity | (1945 - 2000) |
| 5. Age of high mass consumption | (2000 onwards) |

In context, South Africa is half-way through the fourth stage of Rostow's description which follows.⁽⁴⁾

The make-up of the economy changes increasingly as techniques improve, new industries accelerate and old industries level off. The economy finds its place in the international economy; goods formerly imported are produced at home; new import requirements develop and new export commodities to match them. The Society makes such terms as it will with the requirements of modern and efficient production, balancing off the new against the older values and institutions, or revising the latter in such ways as to support rather than to retard the growth process.

This growth process is certainly not automatic -- politics and economics must be mutually supportive for progress.

2.2.3 PREREQUISITES FOR ADEQUATE ECONOMIC GROWTH

Taking the growth process a step forward, the following points are noted as prerequisites for securing the maximum growth. The prerequisites are established in conjunction with maximum productivity from Black labour.

2.2.3.1 Adequate financial reward must be set.

2.2.3.2 The task to be performed must be of such a nature and carried out under such conditions that the workers can take pride in their work.

2.2.3.3 The workers must be given instruction in the correct methods of doing their tasks so that they may be able to derive satisfaction from their jobs.

2.2.3.4 The workers must possess the aptitude and intelligence necessary for the task they have been set.

2.2.3.5 The workers and dependants must be suitably and comfortably accommodated.

2.2.3.6 The workers must be able to obtain adequate, nutritious food.

2.2.3.7 Management must be good and the workers must feel it to be so.

Clearly, this advice is intended for in-company implementation and may seem simple and self-evident. At national level, however, there must be lateral and vertical mobility of adequately educated and trained workers, to ensure that the economic growth needed in Rostow's⁽⁵⁾ 'drive to maturity', is met. The emphasis of this chapter being the macro-economic model facing the personnel administrator.

2.3 BLACK PRODUCTIVITY IN SOUTH AFRICA

The economically active population of South Africa in 1970⁽⁶⁾ is indicated in Table 1 below.

TABLE I

ECONOMICALLY ACTIVE POPULATION
OF THE REPUBLIC OF SOUTH AFRICA
1970

White	1 471 000	20%
Coloured	708 000	10%
Asian	161 000	2%
Black	4 972 000	68%
Total	7 312 000	100%

Table I clearly shows that the Black labour force represents the bulk of the labour contingency. The economic productivity of this sector of the labour force must by essence have a marked effect on the total productivity of the South African economy, Black productivity in South Africa is however problematic. Dr W.J. de Villiers⁽⁷⁾ expressed the problems as follows:

One of the most urgent problems in South Africa today is to raise the material standard of living of the rapidly rising population.

This problem has become particularly acute since the end of World War II not only as a result of the increase in population but also because the Bantu are demanding a higher material standard of living and are becoming more and more insistent in their demands. If the rate of increase of the material standard of living is not high enough in the future they will easily be convinced that it is deliberately being withheld from them.

Professor Ed Lawler⁽⁸⁾ points out the importance of 'expectation' for motivation. If a man expects to receive no or little reward for effort he will reduce his effort and defeat attempts to increase productivity. Evidence suggests that for most Black workers this may well be the case. This evidence is fully documented in Chapter Four, the 'expectation' factor in the motivation of Black workers being used in the pre-structure of the Wage Grading system which was introduced at Epic Oil Mills, Limited.

It is generally agreed that to avoid employment and social unrest in South Africa over the next 25 years, an economic growth rate of 5,5% per annum is needed. South Africa's human resources, especially in the skilled categories will have to be developed rapidly to make a sustained growth rate of such a dimension possible.

Industrial and economic effectiveness will require the deployment of 1 100 000 persons in the professional, technical, and managerial groups. In 1968 there were only 313 825 such persons available, of whom the Whites (19% of the total population) provided 211 182 (67%)⁽⁹⁾. It is the Black section of South Africa's manpower which will in future have to move into the skilled, technical, professional and managerial positions.

The contemporary economic structure fully illustrates the trend of Black productivity within the South African economy. An analysis of Gross National Product (the term used to measure the total value of all the goods and services produced in a given country during a given year) clearly shows that South African productivity per se does not compare favourably with other modern industrial nations of the West, or with Japan.

TABLE 2

GROSS NATIONAL PRODUCT IN RANDS PER CAPITA
OF CERTAIN COUNTRIES IN 1967⁽¹⁰⁾

<u>Country</u>	<u>Rands</u>
U S A	2 959
U K	1 495
Germany	1 504
Japan	864
South Africa	460
Zambia	222

Figures produced by Jurgens⁽¹¹⁾ suggest that, on the average, South African Blacks are only 25% as productive as Whites. This statement by Jurgens⁽¹²⁾ is deserving of further investigation, especially in the light of the fact that South Africa is richly endowed with natural resources (oil is an exception) so that the availability of these resources cannot be considered as a factor limiting economic expansion. Other factors do, however, impose limitations on Black productivity, and the personnel administrator planning a model approach to effective personnel administration must be aware of these micro-limitations.

2.3.1 BLACK EDUCATION AND PRODUCTIVITY

A recent UNESCO study covering nearly 100 countries has shown that there is a direct and positive correlation between an index of higher education and the growth rate of a country. Strumelin⁽¹³⁾ states:

The value of work done by a person who has four years of primary education is 43% greater than that of an illiterate person, 108% greater if he has had secondary education, and 300% greater if he has had higher education.

The whole structure of education in society has to evolve and develop in a certain way to enable economic progress to be made. As a nation moves through different stages of economic development from a traditional society to one of high mass consumption, so it moves from simplicity to complexity. This movement up the scale of general, cultural, and scientific experience is only possible if the education of the population is being improved.

Not only has one to raise the general level of education, but proportionately more of the population must receive technical and university education. In a traditional society the majority of the people have very little education. This must be changed in the drive towards a high mass consumption society, which in turn is only possible if the majority of the population has higher education. South Africa, now in

a transitory state, does not meet the need for Black education. This fact is borne out by inter alia analysing the percentage of national income spent on education in 1966⁽¹⁴⁾.

TABLE 3

PERCENTAGE OF NATIONAL INCOME
SPENT ON EDUCATION DURING 1966

<u>Country</u>	<u>% of National Income spent on Education</u>
Canada	9,6
Zambia	7,8
Netherlands	7,6
U K	6,8
U S A	6,4
Kenya	5,6
Australia	4,4
South Africa	4,0

There has been substantial growth in the last decade in percentage of national income spent on education. The U S A has undertaken to double the percentage. In terms of money, the position in South Africa in 1970 meant expenditure of R434 million for a 21 million population, or R20,70 per head of total population. The U K is currently spending about R6 375 million or R120,30 per head⁽¹⁵⁾.

Figures comparing current annual per capita expenditure on children of different races vary. One estimate is:

Whites R285
Blacks R 20

The Deputy Minister of Bantu Education estimated the annual unit cost of African education in 1971/2 as R25⁽¹⁶⁾. One should add expenditure from private sources, but the ratio White/Black would probably remain the same.

An analysis of the present education and productivity ratio shows that, while our Black population can produce the aptitude and intelligence, not enough Blacks have the education to perform the increasingly complex tasks which have to be done in a modern expanding economy.

In-company training schemes, as outlined in the latter half of this thesis, are possible short term solutions. Such solution can however never extend beyond the short term.

2.3.2 MIGRATORY LABOUR

This is one of the pillars of the South African labour system, some 2 000 000 men being involved. In 1966, of the quarter of a million economically active men in the Transkei, 85% worked outside the area. The Tomlinson Commission⁽¹⁷⁾ estimated that migrant workers spent, on the average, 62% of their available productive time in employment. This would mean working for 22,6 years, retiring at 41, and spending 20 years of expected working life away from the labour market. Of a total of 1 140 000 man-years available annually, only 480 000 were economically used. The impact on productivity speaks for itself.

In chapter five of this thesis, the benefits extended to all Black workers at Epic Oil Mills, Limited, are discussed with special reference to migrant labourers. Training programmes introduced also paid special attention to the needs of the migrant labourer.

2.3.3 CONCEPT OF AN ADEQUATE WAGE

The concept of an adequate wage has an academic root in the study of the poverty datum line as a standard of living.

Charles Booth⁽¹⁸⁾ was the fore-runner in this field of scientific endeavour. Rowntree in his books Poverty: A study of Town Life⁽¹⁹⁾ and Poverty and Progress: A Second Social Survey of York⁽²⁰⁾ followed up on the original academic thought. Further historical input was carried out by Arthur Bowley⁽²¹⁾.

The original thought set up a theoretical minimum of standard of living for the purpose of comparing the socio-economic conditions of households. Such households must in context, differ in size and family composition. The poverty datum line (PDL) enabled a researcher to compare much different households, with another on an objective basis. The poverty datum line must, therefore, be seen as an instrument of measurement; like a thermometer measures temperature, or a tape measures length. Being a standardized tool for comparison it has no prescriptive quality. It is not a norm, and expresses no ideal. Unfortunately, because the poverty datum line (PDL) is seemingly concerned with minimum standards of living, it soon excited the interest of those who were perpetuating the emotion of minimum wages. It is felt that a return to the concept of measurement vis-a-vis minimum wages would benefit the academic principle in question.

A household is in poverty when its income, however wisely used, is inadequate to meet the basic costs needed, in the short term, for healthy survival and decency. A study done by the Council for Scientific and Industrial Research 20 years ago found that, whatever race is concerned, under South African urban conditions it costs the same to provide the minimum diet for a family⁽²²⁾.

If one adds up for a given household the cost, at lowest current market prices, of the minimum basic amounts of food, clothing, fuel and lighting, personal and household cleansing, rent, plus the actual cost of transport for workers to and from work, then one arrives at the secondary

poverty datum line. This is the minimum income, under theoretical conditions, in the short term for a household to maintain health and decency under modern industrial conditions. The only difference between the primary and the secondary poverty line is that in the former rent and transport have not been included.

The above concept assumes that people budget perfectly. For the poor this is often impossible. The poverty datum line is more remarkable for what it omits than what it includes. It is not a 'human' standard of living.⁽²³⁾

The exact amount of the PDL varies in accordance with the research hypothesis, but the differences are very small. The following figures apply for an African family of five in Soweto, a Johannesburg African township with a population of about one million.

TABLE 4

POVERTY DATUM LINE, SOWETO 1970

	A (24)	B (25)
	R	R
Food	36,38	37,64
Rent	7,00	6,00
Transport	5,80	5,03
Clothing	10,00	10,19
Water, lighting, heating	5,20	3,92
Soap	2,60	92
Schooling	1,50	4,11
Burial Society	1,00	-
Taxes	38	82
Medical personal care	-	2,07
Furniture, crockery	-	2,09
Amusement	-	1,01
Savings	-	2,00
Totals	69,86	75,08
Minimum effective level	104,70	113,70

The average wages paid to Africans in all sectors are lower than the PDL and nowhere near the minimum effective level. The same type of poverty occurred in Europe during the industrial revolution.

South Africa also has the handicap that, whereas when industrialization began in Europe, technological development still permitted use of a large unskilled workforce, industrialization is taking place in South Africa at a stage of general technology where more and more unskilled tasks are being mechanised and automated. Economic growth, productivity, and education are much more urgent for us than for Europe a century ago⁽²⁶⁾.

If Marlow's⁽²⁷⁾ theory of motivation has any validity at all, it is virtually impossible to motivate people to greater productivity in terms of modern industrial environments if their subsistence needs are not met. These needs are therefore omnipotent.

2.3.4 HEALTH AND MALNUTRITION

It is logical to assume that poverty and malnutrition are positively associated, and that productivity of unhealthy workers is low. There is evidence to support the view that this is the situation in South Africa⁽²⁸⁾.

The impression should not be given that nothing is being done by the State and the private sector to provide relief. In 1970/71 the State subsidies on food amounted to more than R64 000 000⁽²⁹⁾. Many voluntary organisations are active and those firms which provide subsidized meals for their Blacks deserve high praise (and there are many). The role of subsidized canteens (Chapter Five) takes on specific relevance where Black productivity is concerned.

2.4 CONCLUSION

The personnel administrator, having accepted that a start should be made with those areas of personnel management decision-making

most influenced by the general economic environment, is faced with an impasse.

The South African Government, on the one hand, is urging the private sector to pay all employees a living wage; the private sector on the other hand is of the opinion that increased payment of wages is wasted on an under-educated labour force which is not allowed to be used optimally because of statutory laws which block lateral and vertical mobility. There is a tendency for one party to blame the other, and for too little to be done.

The attitude of the South African trade unionist has also recently been criticised by Professor J.L. Sadie. In his Presidential Address to the Conference on Economic Development and Planning in August, 1971, he said:

Whatever the functional nature, and therefore the merit, of the inequality of incomes in the past, the growing inequality, at least between Bantu and non-Bantu during the sixties, is for the most part the outcome of the monopolistic power of trade unions, which created unfilled vacancies and a good deal of overtime in the skilled occupations.

The role of the personnel administrator in this economic impasse is best illustrated in a summary by J.A. Horner⁽³⁰⁾.

How much have the personnel professionals contributed? I detect an astonishing ambivalence in our approach; many in our discipline are probably ahead of the game in the so called 'important' and 'dynamic' aspects of our trade like Management by Objectives (M.B.O.), organisation development, improvement of interactive skills etc., and at the same time almost oblivious of the Black wage and productivity situation. We personnel practitioners would do well to ask ourselves whether we have been worthy of our wardship in relation to our Black workers who, because they have no political power, depend so much more upon us. The gap between White and Black pay was recently described as the gap through which the forces of Communism may breach our defences. I cannot help but feel that we professionals could do more to close the gap. Ethics and morality aside, it is essential on practical economics grounds. We shall not achieve significantly better productivity unless we do.

The motivations so aptly expressed by Horner⁽³¹⁾ are, after due analysis of the contemporary South African economic structure, sufficient grounds on which to bare the need for clear definitions of effective personnel administration.

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CHAPTER THREE

THE THESIS RESEARCH FRAMEWORK

3.1 INTRODUCTION

In the preface to this thesis, the belief that training contributes to society by the development of individual potential and by improving the effectiveness of organizations was noted. This belief, when viewed against the role of the personnel administrator, leads to a great deal of confusion. The early history of the personnel administrator has left a legacy of moral concern for the employees' interest which has been shared by many personnel administrators and which markedly differentiates the personnel administrator from other business managers. If there is one role characteristic of the personnel administrator, it is an over-concern with values which are different from those of the commercial organization in which the personnel administrator is employed. But, this is a heritage which many personnel administrators would prefer to forget. Welfare is a disreputable function for technocrats: moral concern seems to be too easily acquired to demand the respect of other business managers who have spent many years assembling their own readily identifiable expertise. The onus on a framework of model approach to personnel development and training should serve to correlate the occupation-need of the personnel administrator with the necessary organizational commitment in the business environment.

The hypothesis is therefore expounded that a planned model of personnel development and training will meet the two distinct needs which stand between mediocre and effective utilization of human resources. Firstly, the model will provide a counterbalance for the personnel administrator who is striving for professionalism in his management discipline by supplementing his commitment to this discipline with an acceptable degree of organizational commitment. Secondly, and following on this trend, it is hypothesized that a model approach to personnel development and training will receive the commitment of general management -- such commitment

leading to speedier implementation and greater effectiveness of personnel and training policies.

Effective personnel development and training policies must exist within a given environment. In Chapter Two, the contemporary South African economic structure with reference to personnel administration was analyzed.

This environmental setting is taken a step further in an analysis of the historical background and development of Epic Oil Mills (Pty) Ltd.

3.2 HISTORICAL BACKGROUND AND DEVELOPMENT:

EPIC OIL MILLS (PTY) LTD

3.2.1 DEVELOPMENT OF THE OILSEED INDUSTRY IN SOUTH AFRICA^(1,2,3)

The industry was founded at the beginning of the First World War when Lever Brothers (SA) (Pty) Ltd., started hardening (hydrogenating) imported groundnut and sunflowerseed oils to produce fats, for sale as such, and margarine. Shortly after this, Vereeniging Milling installed the first oil expressing plant in the country, processing imported groundnuts to produce a bottled oil traded under the 'Epic' label.

The oilseed processors grew in numbers, and by 1939 the four main oil and fats manufacturers that exist today had become well established. These consisted of Lever Brothers, Epic Oil Mills (developed from Vereeniging Milling), H. Lewis, and S.A. Oil Mills. A small quantity of vegetable oil was being imported from the U.S.A. by Patlonsky Brothers.

At this stage, all vegetable fats and oils were produced either from imported groundnuts (mainly from India) and to a limited extent from local maizegerm. Even though groundnuts were grown locally, imports for crushing purposes were obtained at a price well below the local prices. Hence all locally grown groundnuts were sold for purposes of eating only, and not to the crushing/processing industry.

However, protective measures introduced by the Government during the 1930's, plus the constraints imposed by the Second World War, gave the impetus necessary for the industry to use local oilseeds. By the end of the war, the industry was firmly established on local groundnut supply, and subsequently on locally grown (and developed) sunflower seeds. Both these oilseeds are marketed to the industry via the Oilseeds Control Board on a quota basis as well as on a ratio of tons of sunflowerseed to tons of groundnuts, depending on the expected crop productions for the year ahead.

Other basic raw materials to the industry are not considered as 'oilseeds' because they contain a considerably lower oil content, as well as being marketed primarily through other marketing organizations to a primary processor before the 'oilseed' is sold to the oilseed industry. These are maize=germ (as mentioned above), and cottonseed (which has been used mainly by Epic Oil Mills and by H. Lewis, from the early 1950's onwards).

Fish oil, used only in the manufacture of fats and certain margarines (all the oil is hardened to a fat condition) only became available to the industry in 1954, prior to which all hardened products were vegetable-oil-based.

During the 1950's, as no restrictions existed governing the marketing of finished products by the industry, a price war developed. By 1959, every processor in the industry had suffered from declining annual profits; consequently, in 1960, the producers had to confer to eliminate the detrimental situation and agree to end indiscriminate price cutting.

The result was an immediate stabilising effect on the market, and the industry once again became a very 'profitable' one. This profitability did not go unnoticed by others. Even though entry to the industry is somewhat restricted because

of high capital investments, the high returns induced a flurry of smaller processors to appear on the scene in the latter half of the 1960's to compete in the traditional market of the big four.

The final fillip to the industry, affecting only 3 processors viz. Lever Brothers, Epic Oil Mills and S.A. Oil Mills (through a tie-up with Imperial Cold Storage), was the introduction of legislation permitting the manufacture of yellow margarine in South Africa in September, 1971. Quotas for tonnage produced per manufacturer are governed in this case by the Dairy Marketing Board, but to all intents and purposes they are presently not a constraint on the industry.

In summary, then, the oilseed industry in South Africa is well buffered.

Where supplies of raw material are concerned, if there is a drought, each manufacturer suffers to the same extent. The effects of the price war of the 1950's are still well remembered in the marketplace and not likely to be repeated. Finally, high margins on yellow margarine ensure an admirable contribution to the three manufacturers involved. However, more manufacturers are joining the ranks, encouraged by high profits under favourable conditions -- in fact, the number of companies in the industry has doubled since 1965. Prior to this, except for one entrant in 1944, who left in 1960, the number had remained the same for over 25 years.

3.2.2 HISTORICAL DEVELOPMENT OF EPIC OIL MILLS (PTY) LTD⁽⁴⁾

In the early 1920's, Vereeniging Milling Company, a company that had been formed at the turn of the century to process maize, installed the first oil expressing plant in the country to process imported groundnuts and produce the first 'Epic' oil in South Africa.

However, this diversification could not have been particularly successful, because in 1932, Vereeniging Milling sold this oilplant to the small but already established oil processing company, Consolidated Oil Products.

Vereeniging Milling's next diversification was into balanced feeds, and as the main constituent is a protein cake from the oil industry -- that which remains of the seed after the oil had been removed, either by expelling (squeezing) or extraction with solvent -- it was obviously desirable to have some control over this source of supply. In 1937 therefore, Consolidated Oil Products was sold to the Vereeniging Milling Company, together with Premier Milling, who had, by 1937, become a force to be reckoned with in the milling industry in South Africa. The new company was called Epic Oil Mills Ltd, owned 40% by Vereeniging Milling and 60% by Premier Milling, a situation which exists up to the present day.

Epic Oil Mills was the first company in South Africa to extract oil from the oilseeds (an economic advantage whereby the maximum amount of oil is recovered from the seed using a solvent), but this innovation was soon adopted by Epic Oil Mill's three other main competitors.

During the war years Epic Oil Mills fared better than most as the shortages of imported and locally produced groundnuts were supplemented by the maizegerm available from both of its parents viz. Premier and Vereeniging Milling. All that could be produced was sold, and the company diversified into toilet soaps and floor polishes. However, floor polish production did not last long and was discontinued in 1949, while toilet soap production continued until 1963, when competition from the Colgate-Palmolive and Lever giants proved to be too much.

The Board of Epic Oil Mills consisted, until the mid-1960's, mainly of members of the Jaffee family, which family had been

behind the initial formation of Premier Milling and its subsequent diversification (by its acquiring a controlling interest in Vereeniging Milling and other related companies) into the balanced feed industry.

Epic Oil Mills had suffered badly during the price war years, and it is noteworthy that virtually all advertising ceased after prices stabilised again in 1960.

Innovations other than toilet soap and floor polish were the manufacture of peanut butter in the early 1950's to compete with the very powerful S.A. Oil Mills' 'Black Cat' line (started about 1925) and the manufacture of a snackfood in the early 1960's.

The introduction of yellow margarine in 1971, was an exciting innovation that brought South Africa at last in line with all other countries in the world. This proved to be a test of Epic Oil Mills' in-depth marketing capabilities which had, because of protective conditions that existed in the selling of other products, been hitherto untried.

Epic Oil Mills' strength has always been its technical capabilities and the company, in certain areas over the years, had certainly been innovative in some of the processes it has used.

In 1955/1956 Epic Oil Mills moved the front-end processes of its production line from its site in Selby, Johannesburg, to a large piece of ground at Isando, Kempton Park -- big enough in fact to incorporate the whole of the existing production facilities, but which at present still contains the seed processing facilities and the first stage of oil processing only.

Until 1974, the company had grown solely by increased sales (both volume and revenue) of products that have basically

remained unchanged over the last 35 years, excluding, of course, the recent yellow margarine introduction.

These products consist mainly of bottled oil, packet fats, margarines, and peanut butter sold to the consumer market; bulk fats and bulk oils sold to the food industry (bakeries, snack-food manufacturers); tinned/drummed oil sold to institutions, friers, hotels, etc; the oilcake byproduct sold to the captive Vereeniging Consolidated Mills (Vereeniging Milling) and defatted maizegerm, all of which is exported.

Finally, Epic Oil Mills has, in 1974, experienced great changes from two additional developments. The first of these was the construction of a large maizegerm extraction plant at Pietermaritzburg which is presently being commissioned. The second exists of a 'rationalisation phase', whereby the oils and fats division of Vereeniging Consolidated Mills in Cape Town was transferred very recently, to the control of Epic Oil Mills.

This change will involve integrating a completely self-sufficient, profit generating company, about a third of the size of Epic Oil Mills, into the firm with its people, its plant, and its problems.

The company, then, has experienced many changes during the 1970's and one can only expect that this trend will continue in the future.

3.2.3 GROWTH OF EPIC OIL MILLS (PTY) LTD

3.2.3.1 SALES AND PROFITS

As detailed figures cannot be given in this dissertation, a graph is presented in fig. five which indicates the ratio of profit to turnover on a yearly basis, as well as the ratio of return on assets on the same basis. Exact percentages are specifically eliminated from the relevant axis.

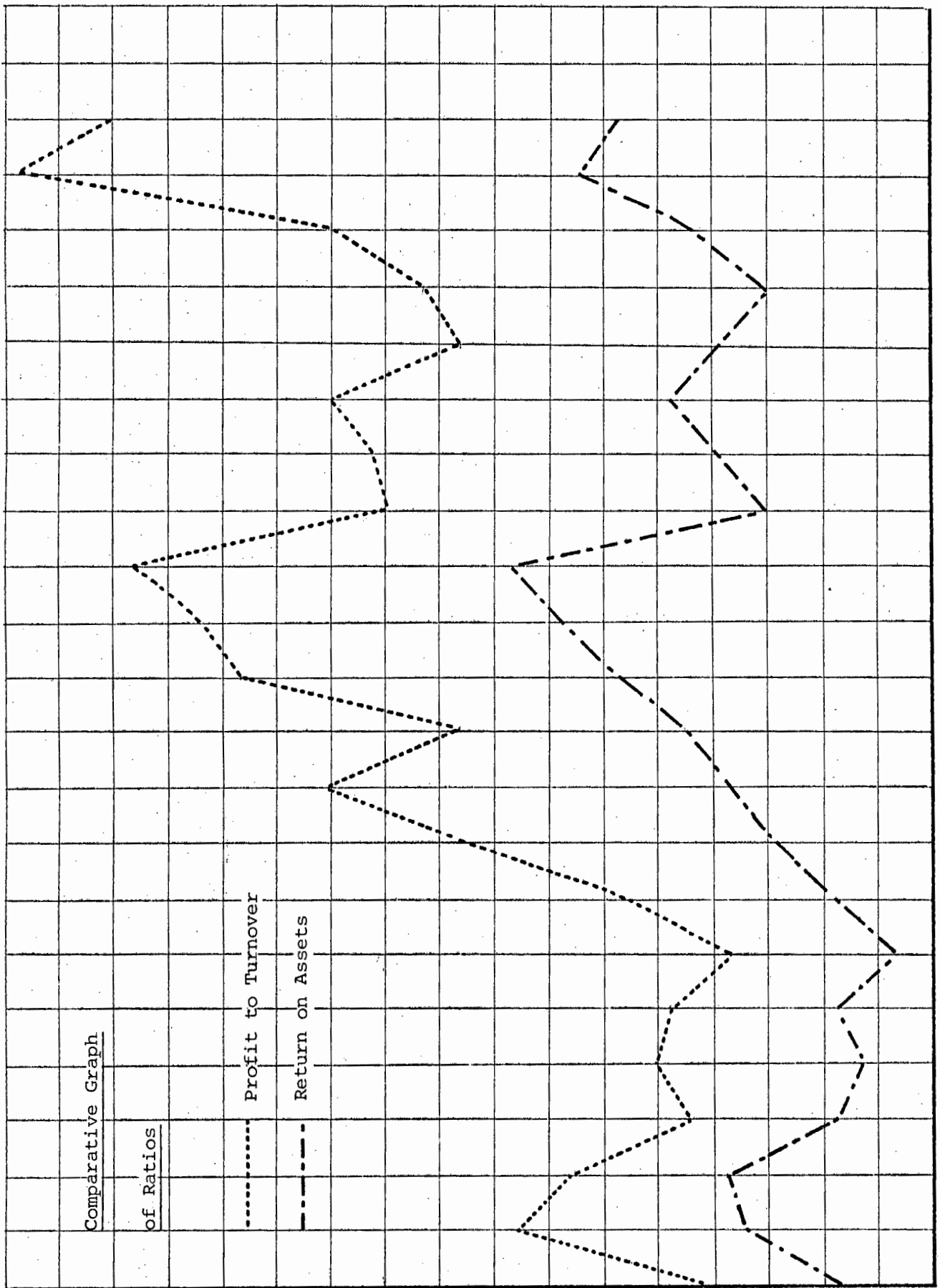


Figure 5: Ratio of Profit to Turnover on a yearly basis

These graphs are useful in showing the effect of the price war years that were evident up to 1959, whereafter the stabilisation and steady marketing conditions have led to a sporadic but considerable growth over the past 15 years.

Many factors can be considered contributory to the ups and downs as indicated in the graphs. While growth in the profit to turnover ratio over the period 1971 to 1974 has been considerable, it is doubtful whether much of this growth can be attributable to efficiencies gained through effective organisational change programmes. Many factors have contributed to the peaks and valleys over the time.

- (a) The company is closely related to agriculture and a poor crop yield of, for example, sunflowerseed can lead to lower profits than in a year when this crop is plentiful in South Africa.
- (b) Epic Oil Mills acts in certain areas as a trading company and windfalls can be gained through effective trading of, for example, crude sunflower oil on a favourable world market when there is a world demand for this commodity. Once again, this is related to agriculture on a global basis, as another year could be such (and has been) that there is an oversupply on world markets of various edible oil commodities. Under these circumstances Epic Oil Mills, and other South African companies, are not competitive on world markets.

The growth since 1971 has been mainly attributable to the following factors.

- (a) Changing the product mix by, for example, replacing the lower oil bearing maize germ with the higher oil bearing sunflower seed. This has the effect of increasing total oil output without increasing the tonnage of oil seed processed.
- (b) The advent of yellow margarine with its associated high sales value per ton and very favourable profit per ton. Whilst yellow margarine has almost completely replaced white margarine, it has cut heavily into butter sales and consequently this has meant a large increase in tons of product produced, not only by Epic Oil Mills, but by all firms producing this commodity.
- (c) This increased output of yellow margarine has been attained by running plant at equal to or greater than rated capacity.
- (d) Consumer prices of oil and margarines have increased considerably since 1970. However this has not been without a related increase in costs, especially of agricultural raw materials. Consequently, the overall growth in profit to sales in the last seven years has been made in spite of rising costs, although the effect has been noticeable in 1974.

In general, both sales and profits have increased satisfactorily since the price war years, due mainly to increased sales on both local and overseas commodity markets. More recent growth has been attributable to greater productivity and the introduction of yellow margarine.

3.2.3.2 FIXED ASSETS

Whilst not indicated by fig. Five, it is known that very little investment in plant and equipment took place during the period 1955 (after the Isando factory was started) to 1962, which is an exceptionally long time for assets to run down without replacement.

Thereafter investment increased steadily from 1963 to the present day, although the value of the assets standing in the books at 1974 is somewhat unrealistic when compared to their replacement value, which would be roughly four times the present day 'book' value.

As can be seen from fig. Five, the ratio of return on assets has 'averaged' over the period from 1962 to 1974 at a relatively constant level, which would indicate that the investment in assets that took place over this period has held the ratio steady.

The Pietermaritzburg operation, which has been excluded from the 1974 figures, consists of a R3 million total investment, initially to process only maize germ -- a decision taken in the light of favourable prices for defatted maize germ on export markets. The raw material supplies are captive as they come from within the Premier Milling group. This operation will be essentially divorced from the 'edible' manufacturing and cannot be considered as investment for replacement reasons.

3.2.3.3 PERSONNEL

Until 1971, the structure of Epic Oil Mills had remained basically unchanged since the Second World War -- with accent placed on technical expertise (always a Technical Director) rather than sales or marketing (a Sales Director was appointed in 1969).

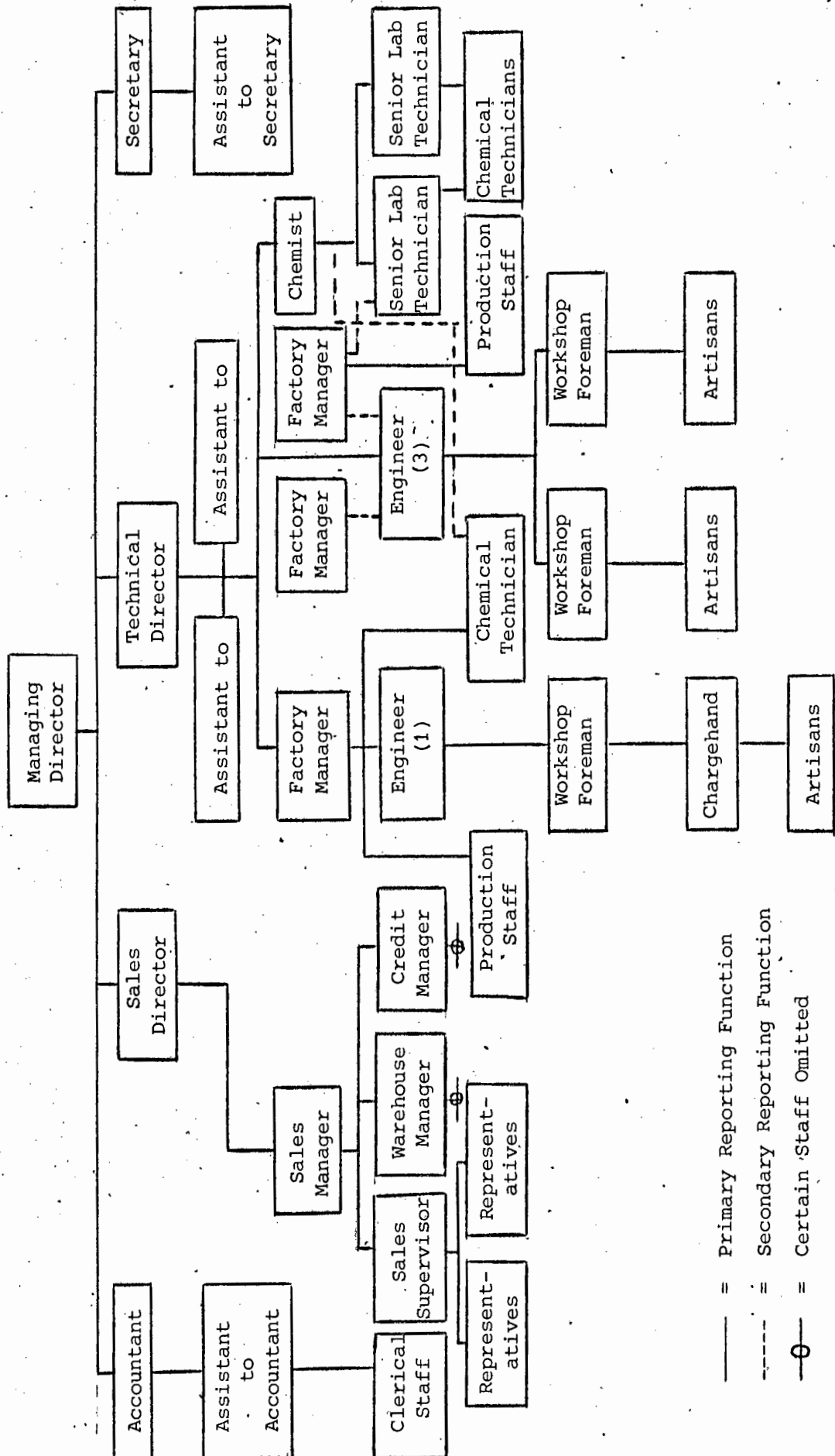


Figure 6: Organizational structure of Epic Oil Mills (Pty) Ltd -- Mid - 1972.

During the early 1970's, changes did take place where new arrivals into Epic Oil Mills brought with them new ideas. By 1973, a structure was created whereby a management team was set up to provide a forum for cross-fertilisation of ideas, and where policy was decided. All of this was a drastic change from the dormant situation which had existed until then.

3.3 ORGANISATIONAL STRUCTURE OF EPIC OIL MILLS (PTY) LTD

The organisational structure of Epic Oil Mills as it existed in mid-1972 is depicted in fig Six. From this structure it can be seen that the company was divided into the various functional departments of finance, marketing, and production with a company secretary who assisted in the administration of the company. It can be seen that the Technical Department was by far the largest and in fact employed more than 80% of the total personnel of Epic Oil Mills..

In mid-1972 it is particularly noteworthy that there was a Sales Director only, who was in charge of the total selling function, i.e. responsible for moving the goods from the Production Department to the eventual consumer. Nobody in the organisation at this time was concerned with any of the aspects of marketing other than selling.

The Financial Department was structured with an Accountant whose sole responsibility was to draw up the financial documents of the company and to present quarterly profit-and-loss accounts and balance sheets.

In mid-1972, there was still no Personnel Department. A caretaker-function was however being fitted, controlled by the Financial Department.

3.4 APPOINTMENT OF A PERSONNEL OFFICER AT EPIC OIL MILLS (PTY) LTD

The creation of a Personnel Department was a totally new concept as it had not existed prior to a decision taken by the Management Committee in August, 1973. The Management Committee consisting of the Managing Director (chairman of the committee), the Sales Director, the Secretary, the Technical Director, and the Assistant to Technical Director, discussed this appointment over a period of four months (May to August, 1973) before reaching finality. It was recognised that to facilitate the introduction of the many technological changes at Epic Oil Mills and to adopt a behavioural approach correctly, a man trained in human sciences was a necessary requirement to assist in developing the change programme.

The role of the Managing Director of Epic Oil Mills cannot be over-rated in the appointment of a Personnel Officer. The Managing Director was himself a charismatic leader of the Management team. As such, he guided the decision of the Management Committee from open scepticism toward the appointment to ready acceptance of it. The Managing Director was of the personal opinion that the appointment of a Personnel Officer would ensure the establishment of a change agent who would ensure greater utilization of both the White and Black labour forces at Epic Oil Mills. The Managing Director also had humanitarian goals which had, in his personal estimates, to be met by as employer towards employee.

The Managing Director, passively assisted by the Secretary, undertook the operation of appointing a Personnel Officer. Initially, a selection-consultancy was used to screen applicants. A short list of three potential applicants was presented to the Managing Director of Epic Oil Mills. Only one of the three applicants was interviewed by the Managing Director. The interview was conducted in the presence of the Secretary.

In very general terms the Personnel Officer was appointed to:

- (a) create a centralised department where all personnel matters could be handled and to whom people could go when queries arose;

- (b) specifically train the personnel in various areas to enable them to cope with the change both organizationally and technologically that was taking place at Epic Oil Mills;
- (c) initiate a link between White management and Black workers.

Immediately after the appointment, the Managing Director, acting in his role as chairman of the Management Committee, gave the Personnel Officer the mandate to undertake a comprehensive study of Epic Oil Mills to determine prevailing attitudes, relationships, problems, and policies prior to the establishment of any plan of action. The Personnel Officer was given a free hand in this study; progress of the study and any action taken was to be reported at monthly meetings of the Management Committee.

3.5 ADOPTION OF A MODEL OF PERSONNEL DEVELOPMENT AND TRAINING AT EPIC OIL MILLS (PTY) LTD

In Chapter One the various roles carried out by the personnel specialists were reflected against the initial level at which personnel administration is carried out. The newly appointed Personnel Officer at Epic Oil Mills had no specific job description, nor any blue print to work from. Realistically, the Personnel Officer faced the entire spectrum of the five distinguishable levels at which personnel specialists could operate.

Consultancy

The Personnel Officer was called upon to apply academic expertise and diagnostic techniques to the analysis of complex problems in the commercial, social and technical environment of Epic Oil Mills.

Employment Planning

The Personnel Officer would have to pay attention to making the procedures and systems of employment policy fit the technical, commercial and social environment of Epic Oil Mills. Two critical areas which would have to receive attention would be manpower development and training.

Maintenance Procedure

The Personnel Officer would have to upkeep the existing employment machinery with the least disturbance to production process or to costs.

Operational Procedure

The Personnel Officer would have to be responsible for the administration of safety programmes and canteens, recruitment, employment interviewing and wage administration.

Clerical Activities

The Personnel Officer who was to operate (initially) as a self-contained unit would primarily be responsible for record-keeping, welfare, counselling and punctuality checking.

3.5.1 RATIONALE FOR A MODEL

Faced with undefined task of operation the Personnel Officer accepted a model approach of personnel development and training in this innovatory undertaking.

The preparation of such a model was as noted, preceded by three months (October, 1973 - appointment date - to December, 1973) of comprehensive study to determine prevailing attitudes, relationships, problems and policies. It necessitated considerable field work within the company to secure factual data as well as to acquire the less tangible, but equally important ethos of the environment. It involved gaining familiarity with the different operations and making an objective appraisal of the employees performing them. It required numerous discussions with top management and with the line executives and supervisors in charge of the various departments.

No more profitable investment of time could have been made, for this strategy provided the best means of arriving at a realistic and practical personnel model. Further, an

opportunity for a healthy interchange of ideas and experiences was thereby provided. The Personnel Officer utilized this period to establish his own relationships -- and that of the personnel department -- vis-a-vis the line organization. The Personnel Officer made it clear by a planned approach that it was not the intention to relieve executives and supervisors of their rightful responsibilities or to usurp any prerogatives. The line organisation was allowed to play a legitimate role, that of communicating to a staff expert the needs pertaining to the human resource employed at Epic Oil Mills. In turn, the Personnel Officer then countered with personal observations and the offer of services. Thus, the activities to be included in the model were developed by mutual agreement, and understanding between line and staff⁽⁵⁾ was effectively promoted.

It was further envisaged that the model would serve to acquaint the Management Committee with the objectives of a matured personnel programme, and give some indication of the lines to be pursued in attaining effective utilization of the human resource. Constructive interest was aroused by this knowledge as well as a desire to utilize the specialized techniques and services which will make a better adjusted, more effective workforce.

Mapping the objectives of a specialized personnel department had the further advantage of providing a useful discipline for the Personnel Officer. This incumbent was able to achieve a broad perspective which resulted from an analysis of a total situation. At the same time the model was accepted by all parties concerned as both tentative and flexible, never as absolute. It was subject to revision in the light of further advice and suggestion from line organization. Modifications from additions were accepted, and would be dictated by growing insight on the part of the Personnel Officer into the problems of the organization. Revision might also spring from changes in the economic system of

the South African situation and in government regulation as well as from technological developments.

3.5.2 THE MODEL OF PERSONNEL DEVELOPMENT AND TRAINING AT EPIC OIL MILLS (PTY) LTD

3.5.2.1 SELECTIVE EMPLOYMENT

- (a) The better organisation of existing sources of supply of applicants and the development of new sources which heretofore had not been utilized.
- (b) The design of a standard personnel requisition blank for use by operating departments in requesting personnel; the form to contain necessary details on the job to be filled and the type of worker needed, and to be used in conjunction with the job specification.
- (c) The design of a uniform application blank (to replace existant mimeographed form) on which the applicant will record pertinent details of personal history, education and past experience.
- (d) The interviewing of applicants by a trained interviewer, under favourable circumstances in a standardized, but flexible, manner. Such strategy to include initial interview to determine superficially the applicant's ability -- followed by a final interview with the Personnel Officer and the supervisor of the specific department for which applicant is being considered.
- (e) The introduction of a testing programme to supplement the interview. A careful study to be instituted to determine what tests are

suitable for measuring the aptitudes and abilities required on the various jobs in the company.

3.5.2.2 PLACEMENT

- (a) Following on testing programme, the assignment of employees to jobs for which best qualified.
- (b) The establishment of a more uniform induction procedure for introducing new employees to the company. Strategy to include induction training, and the designation of departmental heads or supervisors to escort new employees during first several days and to act as his 'sponsor'.

3.5.2.3 JOB ANALYSIS AND JOB EVALUATION

- (a) The analysis of each managerial, production, and clerical job to determine the nature of the work, the qualifications necessary, the nature and amount of training required; the amount of supervision necessary.
- (b) Using the job analysis to facilitate the work of selection and placement.
- (c) The grading of jobs in relationship to each other, or to similar jobs in other plants. This to be a continuous function carried on until all jobs had been covered, with frequent re-examination of results.

3.5.2.4 SALARIES, WAGES AND INCENTIVES

- (a) The formulation of wage and salary scales in each job classification.

- (b) Providing for stability of employment inso= far as possible through careful scheduling of wage and salary operations, and financial planning.
- (c) Promotional charts to be worked out for the organisation, with lines of advancement clear= ly defined.

3.5.2.5 EMPLOYEE RATING AND RETESTING

- (a) Semi-annual ratings to be made of personnel, using a uniform rating form.
- (b) The annual retesting of lower echelon workers with selected testing measures.

3.5.2.6 RECORDS, REPORTS AND FOLLOW-UP

- (a) Record keeping to be developed so that it is detailed enough for adequate control of per= sonnel activities, but not to the point where it is cumbersome and is involved in too much red tape.
- (b) Periodic review of records to determine ad= visability of promotions, transfers, wage in= creases, and other personnel action.
- (c) The adequate statistical treatment of records to determine trends.
- (d) The issue of periodic reports to executives on the findings or conclusions with respect to the personnel programme.
- (e) Establishing a mechanism for keeping file of all governmental laws and regulations pert= inent to the personnel programme.

3.5.2.7 DISCIPLINARY AND OTHER PROBLEM CASES

- (a) The establishment of more uniformity in disciplinary action.
- (b) The granting of special assistance to line management cases referred to the personnel department.

3.5.2.8 BENEFITS AND SAFETY

- (a) The establishment of a workable policy in respect of employee security, which in essence provides financial protection against employment and allied risks.
- (b) The structuring of pay schemes for time not worked, but for which remuneration is granted as an employee benefit and service.
- (c) The establishment of service programmes such as parties, picnics, athletic facilities, clubs and dances for employees.

3.5.2.9 HEALTH AND SAFETY

- (a) An investigation of occupational health and safety, with the view to introducing a programme of health and safety at Epic Oil Mills.
- (b) The establishment of a safety programme.

3.5.2.10 TRAINING

- (a) The pre-job training of employees in cooperation with local and governmental agencies.
- (b) A policy of more effective in-service training for new employees.

- (c) The development of a programme for the training of junior executives and sub-foremen under studies.
- (d) A programme of lectures for administrative personnel.
- (e) The organisation of the supervisory training programme.
- (f) The development of company orientation programme.

3.5.2.11 PROFESSIONAL CONTACTS

- (a) Assuring company membership in at least one professional management organisation which serves as a source of research material, answers inquiries and provides valuable and timely literature in the field of personnel administrative and general management.
- (b) The establishment of professional contacts through personal attendance of the Personnel Officer and/or his designate at industrial relations conferences and other meetings at which personnel problems are discussed, so as to keep abreast of best current practices and new developments.

3.5.2.12 PUBLICATIONS AND MISCELLANEOUS DATA

- (a) Employee handbook; compilation and publication in tentative form of an employee handbook.
- (b) The development of a company organization chart showing the relationships of the departments and divisions to each other and

the lines of responsibility and authority. The chart to be so devised that it can be kept up to date easily.

3.6 PHILOSOPHY OF THE HALFWAY-HOUSE APPROACH

As stated, the model approach to personnel development and training at Epic Oil Mills was designed after three months of comprehensive study of the company, its policies and problems. During these three months, it was established that the organizational entity Epic Oil Mills was in a state of change. The advent of yellow margarine into the South African market had a very dramatic effect on the then-too-static situation that had prevailed at Epic Oil Mills.

For the first time in many years, the company had to stand completely on its own to develop, produce and market a completely new product. To enable the company to adapt to this change, dramatic changes would have to take place internally with a complete change in concept and philosophy. The new personnel department had a role to play in this arena of change. The model of personnel development and training would have to be workable in a rapidly changing environment. To safeguard the interests of the fledgling personnel function, the Personnel Officer adopted the philosophy of a halfway-house approach to the planned model: Instead of setting up policies on all matters, only those matters which readily lent themselves to the model were establishment in policy. For matters that were still in the process of evolving, management would be provided with less rigid guides than policy per se. These guides represented approved management thinking and an approved framework for action. Unlike policy, these guides frankly admit the possibility of revision as circumstances dictate.

To be truly meaningful such personnel guides must partake of the five following characteristics of policy.

- (a) They must be expressions of belief.
- (b) They must be stated in broad terms.

- (c) They must be developed through high-level thinking and participation.
- (d) They must be approved by the highest authority in the organization.
- (e) They must be in writing.

The only thing missing is the concept of irrevocability implicit in the two other characteristics of policy. Whereas policy is long-range, the personnel guide, as has been noted is subject to revision as circumstances change. And, whereas policy is inviolate, the personnel guide may establish objectives that conflict with local practices within the organization and are not likely to supplant them in the near future. In such a case its purpose is to indicate the direction in which local managers should move. Moreover, the personnel guide permits temporary departures from the organization's objectives. Its purpose in this case is clearly to isolate the departure and indicate that it is not to be considered precedent.

Thus the personnel guide is in effect, semi-policy. It reflects management's thinking but does not represent an irrevocable commitment. It gives the manager a clear-cut basis for his personnel decisions but contains no guarantee that this basis will be the same five or ten years hence. This approach to personnel policies offers the advantages that go with built-in flexibility. Since the personnel guides are subject to change, they always leave the door open for a better method. In fact, they challenge the managerial team to develop a better set of objectives.

The beauty of this halfway-house approach is that it does not try to achieve the millennium in policy making overnight and instead provides for gradual, step-by-step progress. But flexibility, its chief advantage, is also its chief disadvantage. If the personnel guides are subject to abrupt and frequent changes at the whim of one man, then they are worse than no guides at all, for they are misleading. In fact, they are nothing more nor less than the formalization of expediency. If the guides are honoured more in the breach than in the observance, then they become mere words on a scrap of paper.

It is only as the guides come to be accepted as permanent and inviolable that they can serve as a basis for action.

Their significance lies in the fact that they represent an evolutionary stage toward the achievement of personnel policy. In any event, the organization must at some point stop making allowances for all the special circumstances that militate against the development and enforcement of policy. It must decide to govern its progress and direction by the test, "Is it right?" Only in this way can it achieve the ultimate goal of management by principle rather than management by expediency.

3.7 RESEARCH FRAMEWORK

3.7.1 ACADEMIC RATIONALE TO RESEARCH FRAMEWORK

The task of making the discipline of sociology fully scientific must be the pre-occupation of every sociologist. The work of the neopositive school⁽⁶⁾ may be considered as a vigorous attempt to solve this problem which has confronted sociology since its inception.

Neo-positivism may be compared with Comte's⁽⁷⁾ original positivism. Both display the tendency to ascribe truth to science alone.

Both emphasize observation and inference. But Comte's⁽⁸⁾ historical method is found lacking in the light of methodology; thus Comte's⁽⁹⁾ tempered organic analogy and his 'social physics' has given way to a much greater reliance upon the methodology of modern physics. However, an over-reliance on the methodology of any sociological thesis has certain dangers: Sorokin's 'Fads and Foibles' is a sharp criticism of aberrations which, he believes abound in contemporary American sociology⁽¹⁰⁾. Though neo-positivism is not explicitly singled out, it is a main target of over-reliance on total methodology. Sorokin⁽¹¹⁾ approves of the use of quantitative methods in the study of social phenomena, but rejects as groundless, the hypothesis that all

classes of qualitative attributes can be located on continua; Sorokin⁽¹²⁾ denounces the recurring substitution of 'short-hand symbols and formulas' for true mathematics, as well as indiscriminate application of statistical methods to social matters. These methods are inappropriate to the study of behaviour within social systems because such behaviour is orderly and can best be interpreted by reference to the order prevailing in the system.

Statistical methods, on the other hand, are applicable to phenomena depending on chance, or to what Sorokin⁽¹³⁾ terms 'congeries' or the co-presence of phenomena irreducible to any order common to them. Furthermore, denies the scientific validity of studies often dealing with hypothetical situations or questions about which the respondents know but little. In any case, it is hypothesized, that investigations of this latter type fail to get at the actual mental facts or behaviour about which people talk or write in interviews and questionnaires.

Herbert Blumer severely criticizes the restrictive practice of 'variable analysis',⁽¹⁴⁾. This type of analysis seeks to reduce 'human group life to variables and their relations',⁽¹⁵⁾. Something is presumed to influence group life, and the impact of this nebulous 'something' is often a modification of group life. Blumer⁽¹⁶⁾ notes, first that the choice of variables is often faulty so that analysis in their terms does not and cannot enrich our theoretical knowledge.

Second, and in this regard Blumer's⁽¹⁷⁾ view approaches Sorokin's⁽¹⁸⁾ the procedure is inadequate relative to the central care of group life, consisting of such interpretations requires its own methods: one must approach the study⁽¹⁹⁾ of group activity through the eyes of people engaged in that activity. The simplifying and schematizing procedure of 'variable analysis' (which by necessity, is mathematical or statistical) does not do justice to the real situations,

although this may be used effectively to study those areas of social life that do not involve the interpretative process, which includes the research at hand which is involved in an interpretative process. Thus due consideration will be given to methodology without involving the model in a mathematical formula.

3.7.2 EXPOSITION OF THE RESEARCH FRAMEWORK

The research framework will set out to explain the model approach to personnel development and training in the following manner.

Chapter Four will outline the work undertaken in the area of wage, salary, and other allied fields of personnel development. Chapter Five will outline the remaining facets of the proposed model -- benefits and services. Chapters Six to Nine deal with the training function. Finally, chapter Ten outlines the results obtained by using this model approach to a grass-root personnel and training function.

3.8 CONCLUSION

In the first instance personnel administrators are faced with a vexing dichotomy in role structure: the need to supplement commitment to the occupational role with a greater degree of commitment to the organizational role.

Secondly, personnel administrators are called upon to meet the stringent criteria which are applied to the profit motive existent in the business environment. To meet these two requirements the model approach to personnel development and training was used at Epic Oil Mills (Pty) Ltd.

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CHAPTER FOUR

A PERSONNEL DEVELOPMENT PROGRAMME: WAGE AND SALARY ADMINISTRATION

4.1 INTRODUCTION: WAGE AND SALARY SYSTEM AS A PERSONNEL FUNCTION

The introduction of a formal wage and salary system was accepted as the first step in the development of the model of personnel administration.

The relationship of wage and salary administration to the personnel department of a business organization has not been clearly established nor generally accepted. In practice the responsibility for fixing or negotiating wage rates is found often to be with the company secretary and with the production executives. There is logic in this arrangement. Wages and salaries form one of the principle costs of production and are bound up with plant efficiency. Any arrangement which would increase these costs without the foreknowledge of the production manager, or which might impair efficiency, would be an imposition rather than an example of the service which the personnel department aims to give.

4.1.1 KNOWLEDGE OF SYSTEM: A PREREQUISITE

The personnel administrator cannot engage or transfer a worker without stating the rate of wage or salary to be paid for the job. Nor can the personnel administrator understand the objections and complaints brought to him by individuals who threaten to hand in their notice for reasons connected with their earnings, unless the personnel administrator knows the wage and salary structure of the company. To be supplied with a list of rates payable to specified grades or groups of employees is not enough. The personnel administrator is duty-bound to understand the current wage and salary system. This understanding will take him beyond figures of rates to questions of fairness, incentives and methods of wage and salary payment.

4.1.2 SYSTEM VIS-A-VIS AGREEMENT⁽¹⁾

The working of a local wage and salary system can never be restricted to the application of the Government Wage Agreement⁽²⁾, no matter how country-wide this may be, nor how complete are its provisions and details, questions will arise to which there are no obvious answers. Demands may be made which go beyond the letter of the law. Without a policy embodying the spirit of the agreement, interpretation will be a matter of expediency depending on the outlook and training of those to whom these demands are presented. To deal with such possibilities a liaison officer is necessary within the business organization whose duties will be:

- (a) To secure uniformity in interpretation and application, and in particular to administer the agreement in the spirit as well as in the letter.
- (b) To negotiate and adjust all differences arising from wages and salaries or to assist in doing so.
- (c) To obtain information necessary for the working of the Agreement⁽³⁾, including any adjustment to changing economic circumstances.

Functionally, and by reason of his training, the personnel administrator is the executive best fitted for his responsibility.

4.1.3 WAGES AND SALARY DISPUTES

More than any other economic factor, wages and salaries are a major cause of dispute; Wage and salary questions are at the heart of industrial relations. The wage and salary rate is not only what a man is paid; it represents the economic valuation set upon man and resultant work. With this economic valuation is represented a whole series of social and psychological satisfactions (and dissatisfactions). A man's standard of life is limited economically by the expenditure

of his wage and salary. However, in this standard there are elements of personality and self-respect. Limitation here stirs some of the most profound interests and feelings in the heart of man, especially those of justice and dignity. As a drowning man struggles to keep his head above water; so workers fight to maintain their standard of life and to increase it. For this reason, if for no other, the interest of the personnel department in the matter of wages and salaries must be accepted.

4.1.4 KNOWLEDGE AND SKILL

Wage and salary negotiations call for knowledge and skill. The knowledge required includes an understanding of economic argument and an acquaintance with trade unionism and its outlook. The conduct of negotiation is an exercise in patient discussion and tactful diplomacy: it is a display in psychology rather than an exercise in legal definition or announcement of a decision. In these matters the personnel administrator has a distinct contribution to make by reason of his training and outlook.

It follows that wages and salaries are more the concern of an adequately equipped personnel department of the business than of any other. A word of caution, however, is called for in connection with this conclusion, since it may be wrongly interpreted in two important respects:

- (a) The personnel administrator is not responsible for fixing wages and salaries in the establishment. What the personnel administrator does do, is to negotiate and arrange, or take part in negotiating and arranging wage rates, with the result that whoever is engaged must be paid in accordance with these undertakings. The wage and salary are for jobs and occupations and may admit of scales according to efficiency. It remains the responsibility of production executives to allocate men to the jobs best suited and, within

the arranged scales, to pay individuals according to merit.

- (b) The personnel department does not necessarily become responsible for calculating and paying wages and salaries. These jobs may be done by the accounting function or even as a part of the work of the costing department, though a knowledgeable personnel administrator can help towards setting up an integrated system which will serve these functions.

This introduction should suffice to substantiate the responsibility which personnel administrators exercise in respect of wage and salary administration.

4.2 ADAPTATION OF THE MODEL PERTINENT TO WAGE, SALARY AND ALLIED ADMINISTRATION

During the period, October, 1972, to December, 1972, a comprehensive study to determine prevailing attitudes, relationships, problems, and policies at Epic Oil Mills was carried out.

At the December, 1972, Management Meeting notice was given that wage, salary and allied administration should be placed under the mantle of personnel administration. Previously, the control of wage, salary and allied administration was vested with the Company Secretary. A well designed administration programme was accepted as the best tool to secure the most from capital outlay in terms of attracting qualified employees, maintaining morale, and minimizing turnover.

Thus, in January, 1973, wage, salary and allied administration became the responsibility of the Personnel Officer. To assist this function, a clerk was transferred from the accounting division. At this stage (January, 1973) the Personnel Department consisted of:

- Personnel Officer
- Personnel Assistant
- Secretary (shared basis)

The following distinguishable levels evolved in the Personnel Department of Epic Oil Mills:

PERSONNEL OFFICER - CONSULTANCY ROLE

In essence, being the application of academic expertise and diagnostic techniques to the analysis of complex problems in the commercial, social and technical environment of the organization, so that planned changes could be brought about.

PERSONNEL ASSISTANT - OPERATIONAL ROLE

In practice the personnel assistant operated specific procedures and pursued particular objectives. The personnel assistant was concerned with carrying out acknowledged and familiar routines.

After an initial period of induction to the personnel function, the personnel assistant undertook the specific routine of wage administration. This position was therefore titled WAGE OFFICER.

In accordance with the provisions laid down in the overall Model of Personnel Development and Training at Epic Oil Mills (Pty) Ltd (Chapter Three, section 3.5.2) the following pertinent areas were developed:

- (a) Selective employment and placement
- (b) Job analysis and job evaluation
- (c) Salaries
- (d) Wages

Neither development area was mutually exclusive, nor was development in any form of chronological order. In fact, each area tended to develop about another area, rather than as a result of the development of a specific area.

4.3 SELECTIVE EMPLOYMENT AND PLACEMENT

4.3.1 RECRUITMENT

The employment of workers begins with the act of recruiting. Recruitment, as this is often called, is like the outstretched

arms in the employment picture. Ideally it should gather in enough applicants from whom the final selection can be made.

The problem of recruiting varies by type of job, industry, location and current labour market. The company must;

- (a) establish and maintain the most productive sources of supply; and;
- (b) devise the most effective and efficient means of reaching applicants.

Then it must succeed in encouraging them to inquire about the job opportunities offered.

There are two sources of applicants to fill vacant positions: internal and external.

The internal source is inside the company for lateral transfer and promotion. This rewards faithful and loyal workers with more remunerative positions or with work that is more to their liking. But it could have the disadvantage of inbreeding.

For some jobs it might be better to go outside. Most job vacancies, especially beginner positions, are filled from the external source. This consists of many aspects. Sources of external applicants are among the following:

4.3.1.1 employment agencies;

4.3.1.2 advertisements;

4.3.1.3 schools;

4.3.1.4 employee referrals ("word of mouth");

4.3.1.5 miscellaneous sources; and;

4.3.1.6 unsolicited applications.

There is no obvious recruiting effort, but it is apparent that by using the above sources, combined with internal sources of recruitment, a successful effort is maintained and a flow of qualified applicants is ensured.

The commitment of management and the other employees to this recruitment programme is essential. In accordance with the philosophy of the Halfway-House approach (Chapter Three, section 3.6) a written personnel guide was issued to substantiate this area of development. Copies of supporting documents are in appendix A.

4.3.2 APPLICATION BLANK

As a first step in the model, the Application for Employment form is used to gather information. By the use of a standard form; the information is always in the same place and the interviewer is spared the time and annoyance of having to hunt for the specifics he needs to know. The form must be professionally prepared for the best capture of data.

The sections of an application blank are usually as follows.

4.3.2.1 Personnel data

The recording of name, home address, telephone number, identity number, age and/or birth date, height, weight, sex, marital status, dependants, citizenship.

4.3.2.2 Helpful information

The recording of type of work sought, salary desired, when available to start work, reason for wanting to change jobs, and from what source the applicant was referred.

4.3.2.3 Education

The chronological recording of education, history, highest level attained, years attended, whether graduated, courses specialized in.

4.3.2.4 Work experience

The recording of work history in inverse order, names and addresses of companies worked for (listing most recent one first and working back), dates of employment, earnings, types of work done, progress made, name of supervisor who may be contacted for reference.

Provision should be made for the applicant to supply additional data which he feels would be pertinent to his qualification.

It is advisable to have the applicant sign the form. Above the space for signature enter a "clearance" statement which guarantees all information to be accurate and gives the prospective employer the right to investigate. Quite often, however, the interviewer will be asked not to check with the present employer; this request, of course, should be respected.

Copies of supporting document is in appendix B.

4.3.3 THE INTERVIEW

Following upon the completion of the application blank is the interview, which in accordance with the model of personnel development and training was to be carried out by a trained interviewer in a climate of validity and effectiveness.

Even though many studies have been published showing that information obtained through the interview is often inaccurate⁽⁴⁾, that interviewers of presumably equal competence

sometimes disagree markedly in their judgements of applicants, and that the interviewer's judgement of an interviewee is often unduly influenced by the latter's physical characteristics, the interview as a basic method still continues to be widely used. This continued use should strongly suggest that the interview, in spite of its limitations, occupies an important place in the majority of employment offices.

It is difficult, if not impossible, to reach a general conclusion concerning the value of the interview as an employment technique. Different studies on the value of the interview have shown markedly different results. For example, Pitney⁽⁵⁾ reports that although only 29 per cent of men selected at random for an aircraft warning unit training centre completed the course successfully, 84 per cent of those selected by interview completed the work satisfactorily.

On the other hand, Dunlap and Wantman⁽⁶⁾ found that interviews did not add to the prediction of learning to fly among aircraft pilots.

Even with great variations in the value of the interview, and in spite of the possibilities of error inherent in the interview as a technique, it has certain advantages that undoubtedly account for its long-continued use. It is sound industrial relations for every jobseeker to have an opportunity to speak at first hand with his prospective employer (or a representative of his prospective employer) and to be given the personal attention that an application form or employment tests naturally cannot give. Because of these basic considerations, it is advisable to correct as much as possible the attendant weaknesses of the interview, rather than to eliminate it, especially since it provides an opportunity to obtain the goodwill of the applicant (and, through the applicant, of the community) for the company.

Probably the major deficiencies of the interview stem from one of three sources; (a) from the method of interviewing, (b) from the interviewer, and (c) from the interviewee. Efforts to improve the interview as a method of employment must be centered around these three aspects.

4.3.3.1 The interview method

Many employment interviews are haphazard in that there is little planning or organization to them. Where the interviewer does not generally plan and control the direction of the interview, the subjects covered depend more on chance factors than on design. The type of information obtained from one applicant may then be somewhat different from that obtained for another. The evaluation of potentialities of various applicants cannot then be made on the same relative basis.

The deficiencies that arise from this haphazard interview approach have led to the development of what are variously called 'patterned, structured or standardized' interview procedures. Such an interview is one that follows a pre-established pattern covering certain specific areas that have been found to be related to job success. Such interviews are based on the simple premise that the best basis for judging what a person will do in the future is to know what he has done in the past.

A patterned interview is organized to obtain such information in an expedient and systematic manner. The basic characteristics of an interview of this type are as follows.

- (a) The interviewer works from definite job specifications.

- (b) The interviewer has a plan and knows what questions to ask.
- (c) The interviewer is trained in the techniques of conducting an interview.
- (d) Prior to the interview, the interviewer has checked with outside sources (previous employers, schools, and so forth) and already knows a great deal about the applicant.

Ordinarily, a printed form is used to help the interviewer adhere to the pattern. One of the most widely used patterned interview procedures has been developed by Fear and Jordan⁽⁷⁾.

The procedure described covers seven specific areas, with a number of questions under each area. These areas are as follows.

(a) Previous Experience

The following questions are asked;

- (i) Similar job duties;
- (ii) Required hand and machine tools;
- (iii) Same type materials;
- (iv) Similar working conditions;
- (v) Same degree of supervision; and
- (vi) Shown development on the job?

(b) Training

The following questions are asked;

- (i) Sufficient formal school education;
- (ii) Best-liked or least-liked subjects related to job requirements;
- (iii) Required mechanical, mathematical; or other specialized training;
- (iv) Required 'on the job' training; and
- (v) Any special training since leaving regular school?

(c) Manner and Appearance

The following questions are asked;

- (i) Favourable, unfavourable, mannerisms (gestures, facial expressions, speech);
- (ii) General appearance satisfactory? (features, poise, dress, personal hygiene);
- (iii) Evidence of cultural background (speech, courtesy, interests);
- (iv) Voice and speech acceptable;
- (v) Physical qualifications adequate; (height, weight, stamina)
- (vi) Any physical disabilities;
- (vii) Appear nervous, high-strung; and;
- (viii) Appear aggressive, self-confident?

(d) Sociability (Teamwork)

The following questions are asked;

- (i) Any job experience requiring special teamwork;
- (ii) Participate in school social activities;
- (iii) Take part in community affairs;
- (iv) Engage in any group recreation;
- (v) Interests reflect liking for people; and;
- (vi) Appear friendly, the kind of person who can get along with others?

(e) Emotional Stability

The following questions are asked;

- (i) Friction with former supervisors ('chip on shoulder' or 'sour grape' attitude);
- (ii) Unsound reasons for leaving jobs; (incompetence, quick temper, inflexibility);

- (iii) Unsatisfactory job stability (easily dissatisfied or discouraged);
- (iv) Reasons for leaving school (reaction to failure: frank or defensive);
- (v) Difficult adolescent period (parents divorced, all work - no play, etc.);
- (vi) Lonely, poorly balanced life now (inadequate social contacts, etc.)?

(f) Maturity

The following questions are asked;

- (i) Work after school or summers (earliest contribution to family income);
- (ii) Decisions dominated by family (lean on family for moral support);
- (iii) Ever lived away from home (had to make own way);
- (iv) Ever handle more than one job at a time (economic drive);
- (v) Good sense of responsibility (considered transportation, wages, hours, family, in making change of jobs, how much life insurance); and;
- (vi) Why did he apply for work here (any logical occupational goal)?

(g) Leadership Capacity

The following questions are asked;

- (i) Ever had leadership experience (in school, former job, community);
- (ii) Does he want to be leader (why);
- (iii) Seem like natural leader type (dominate or inspire confidence, respect); and;
- (iv) Reasonable aggressive, self-confident and self-sufficient?

Space is provided on the form for an evaluation of the applicant as above average, or below average on each of the above characteristics in comparison with employees now on the job in question.

The patterned interview need not be based only on the characteristics used by Fear and Jordan⁽⁸⁾. Wonderlic⁽⁹⁾ has developed a form covering four general areas: 'Work History, Family History, and Social History, and Personal History'. Several specific questions in each of these are provided to guide the interviewer in obtaining the relevant facts. This interview procedure, called the 'Diagnostic Interviewer's Guide', is used by the interviewer as the basis for giving ratings, which are converted to interview 'scores'.

Another patterned interview form described by McMurry⁽¹⁰⁾ covers the applicant's 'work record, service record, schooling, early environment, present financial situation, domestic situation, and health'. Such patterned interview is essentially a fact-finding procedure, combining information obtained from the applicant with data received from schools and previous employers.

McMurry⁽¹¹⁾ summarizes results obtained with the patterned interview in several companies. A study at the Link-Belt Company in Chicago showed that interviews' ratings of 587 men from a patterned interview were significantly related to tenure of the employees on the job. A further study of 407 men who remained on the job in this company showed a significant relation between interviewers' ratings and subsequent success on the job. Similar results were obtained in studies conducted with truck drivers employed by the White Motor

Company and operators employed by the York Knitting Mills. These studies reported by McMurry⁽¹²⁾ show that a patterned interview, designed to accomplish a definite objective, is far superior to the random type of conversation that often occurs when undirected and/or untrained people are permitted to handle the employment interview.

Patterned interview procedures differ in the degree to which they provide for structuring of the interview. In general, however, they do not convert the interviewer into an automatic question-asker, but rather they provide the broad framework of an interview procedure by which the interviewer is guided. It must be recognized that the patterned interview is not a panacea for all employment problems. In fact, there probably are many situations where it should not be used. But such an interview procedure has shown promise of being a useful employment device in Epic Oil Mills (Pty) Ltd, and it is probable that its use could profitably be extended to many other employment situations.

4.3.3.2 'Sampling' the interviewee's behaviour

An interviewer conducting an interview obtains a 'sample' of the interviewee's behaviour. It is wellknown however, that individuals behave differently at different times, under different circumstances, and with different people.

Thus, the impression that a particular interviewer receives of an applicant may not be representative of that person's typical behaviour; possibly the applicant is unduly tense because of the interview, or does not 'click' with the interviewer, or is not feeling well.

In order to obtain more 'samples' of an applicant's behaviour, on which to base a decision, it is usually good practice, where feasible, to have the applicant interviewed by two or more people, and possibly by the same interviewer on two or more occasions. In this way, the people in the company who have had an opportunity to talk with the applicant can pool their impressions and evaluations with the general result that a better decision is made about the employment of the applicant in question.

4.3.3.3 Judging and rating applicants

An interviewer must make judgements about applicants - about their personal qualities, abilities, and other attributes, and their general potentialities for various types of jobs. It would be useful to see how adequate such judgements are, and also to consider methods of improving such judgements.

4.3.3.4 Adequacy of interviewer judgements

A survey of many studies of interview, or interview-like, evaluations was made by Wagner⁽¹³⁾, in which he summarizes information on the evaluations that have been reported for various human traits or characteristics. For each of 96 such traits or characteristics he reports the number of studies in which the trait or characteristic has been investigated, and, where reported, the 'reliability' and/or the 'validity' of the judgements.

The reliability is the degree of consistency or of agreement between or among two or more judges; the validity is the degree to which the judgements were accurate or true judgements in terms of some separate criterion. These values are usually reported as coefficients of correlation.

TABLE 7

RELIABILITY AND VALIDITY OF JUDGEMENTS OF
SELECTED HUMAN TRAITS AND CHARACTERISTICS IN
INTERVIEW-LIKE SITUATIONS⁽¹⁴⁾.

Trait of Characteristic	Reliability	Validity
Ability to present ideas	.42	
Alertness	.36	
Appearance	.34	.13
Background, family and socio-economic		.20
Energy	.64	
Initiative	.57	
Intelligence or mental ability	.96 .87 .77	.58 .82 .45
	.62 .90	.94 .51 .70
Personality		.21
Self-confidence	.77	
Sociability	.87 .72	.37
Social adjustment		.22
Tact	.26	
Over-all ability	-.71 .48 .24	.27 .21 .16
	-.20 .26 .43	.87 .23
	.68 .61 .85	
	.55	

Some of the results of this survey are presented in Table 7, which shows the reliabilities or validities of each of 13 of the 96 characteristics investigated. Since this information comes from a wide variety of situations, it must be accepted with reservations, but none the less it is noted that there are marked differences in the reliabilities and validities of the various traits and

characteristics. For example, the reliability of ratings on 'Alertness' was .36, whereas for 'Sociability' the reliabilities (in two situations) were .87 and .72. The validities ranged from .13 for 'Appearance', to those in the .80's and .90's for 'Intelligence or mental ability'. It is further noted, however, that for a given characteristic, such as 'Over-all ability', the range of validities and reliabilities varied a great deal; the validity coefficients for this characteristic ranged from .16 to .87, and the reliability coefficients ranged from -.20 to .85⁽¹⁵⁾.

Such studies, as well as experience with the interview, suggest that interviewers can make better judgements about some characteristics or traits than about others.

Thus, an interviewer might be able to observe quite readily that an interviewee has a pleasing smile, effective speech and voice, and general air of confidence. It is not as easy for the interviewer to determine whether a man can operate a milling machine, read a micrometer, or find the trouble in a defective machine; or whether a girl can type accurately, add a column of figures correctly, or avoid mistakes in spelling. This fact, that the interview is a 'natural' for determining certain characteristics but a rather ineffective method of determining others - should be kept in mind when discussing the 'validity of the interview'. It would seem to be a mistake to make a single overall evaluation of the interview as a method.

4.3.3.5 The use of interviewers' ratings

Although interviewers' judgements about traits or characteristics of applicants are far less accurate than would be desired, we should not conclude that

they have no place in employment procedures. Rather, efforts should be made to improve such judgements, and to use them properly. One method of improving interviewers' judgements is by the use of appropriate ratings scales. The ratings resulting from the applicant screening profile (copy of supporting document in appendix C) are converted to raw scores which are then used to compare applicants.

The applicant screening profile used together with the patterned, structured or standardized interview technique were used in conjunction as selective strategies at Epic Oil Mills. It was not possible to plot results arising from this selection innovation. In the first instance, the measurable items as "better staff potential" and "higher staff morale" are intangible, and difficult to capture. Secondly, any results would be negated in that, this selection strategy was a completely new innovation, and not capable of comparison with any previous standard.

Initially all interviews were conducted by the Personnel Officer. Previous experience and academic training allowed this incumbent the ability to use both strategies to the full. At a later stage the Wage Officer was trained to conduct interviews at the lower end of the employment scale.

Use of the application blank and interview procedure ensured the better organization of the selective procedure for a predominance of White employees. The selection, employment and placement of Black employees was restricted by legislation and environmental conditions.

Due cognizance must be taken, especially of the restrictive legislation, in respect of the selection, employment and placement of Black employees.

4.3.4 THE EFFECT OF NATIVES (URBAN AREAS) ACT ON THE LABOUR MARKET⁽¹⁶⁾

The implementation of the Urban Areas legislation in the framework of official policy is often at variance with the needs of the urban industrial employer. The Natives (Urban Areas) Act⁽¹⁷⁾ is essentially concerned with the control of the African (Black) in the urban areas and with the exclusion of "rural" Africans (Blacks) from such areas, but in addition, by creating a network of labour bureaux throughout the country, charged with the control of African employment, the authorities have sought to extend control to the supply of and demand for African labour.

The restrictive factor being of essence that even where employers make their own selection, the fact that the employer is limited to the "official" pool of registered work-seekers. The officials at the labour bureau are charged with the unenviable task of using the influx control machinery to supply labour to employers as and when required. This matching of supply and demand, in addition to the difficulties created by the lack of an effective means of judging short-period future demand, is made more complicated by the fact that the two are balanced numerically rather than qualitatively.

The whole system of labour bureaux is thus open to the criticism that, instead of ensuring that the right person is placed in the right job, it merely adds to the problems of employers and work-seekers and costs a great deal both in time and money. One cannot avoid the conclusion that the root of the trouble lies in the fact that influx control and direction of labour, as operated today, are not primarily or even chiefly concerned with the needs of the

economy, but are regarded as an effective means of excluding as many Africans as possible from the urban areas and of perpetuating the migratory system. There would appear to be a serious divergence between official policy and the needs of economic development. It is evident that some solution, albeit a compromise is needed. At Epic Oil Mills, an investigation into psychological testing was regarded as a strategy to overcome the restrictive facets of legislation.

4.3.5 PSYCHOLOGICAL TESTING

At Epic Oil Mills an inherent management philosophy was that the selection, placement, promotion and training of all personnel had important long term financial and other implications. The personnel, both Black and White was regarded as the most important component determining Epic Oil Mills' success. Sands⁽¹⁸⁾ says:

It is generally recognized today that men, not money, control the destiny of business.

Therefore, to be successful, suitable personnel should be selected from the labour market; personnel who possess the ability to man the jobs should, with due consideration to individual difference be placed in the right posts; personnel who show potential for promotion should be identified and promoted; and only those personnel who possess the basic requirements for success should be trained. It is therefore very important to determine the worker's abilities as soon as possible. Kolb⁽¹⁹⁾ says in this respect:

There is not only a question of making better estimates, but also making them earlier in a man's career.

In South Africa, with it's labour shortages, and restrictive legislation as outlined in the previous section, it is very important to utilise each worker to his full potential.

It is, therefore, essential to discover each worker's strong and weak points early in his career so that he can be placed or transferred so as to make a maximum contribution to the firm's objectives; that dissatisfaction is not fostered; that money is not wasted on the training of workers who cannot be trained economically. At Epic Oil Mills it was decided to investigate the use of psychological tests.

A psychological test is an aid which can contribute to coping with the abovementioned personnel matters in a more scientific manner. Anastasi⁽²⁰⁾ says:

A psychological test is essentially an objective and standardized measure of a sample of behaviour.

It is actually only a refinement of what is done in everyday life, by getting to know people from their behaviour. In a psychological test it is only done more systematically. It measures a standard task under controlled conditions. In this way, subjective influences are eliminated and a more reliable description of a person's qualities is obtained.

The purpose of tests is to furnish reliable or accurate, and valid or relevant information as regards human characteristics, in a practical and economical way.

An important prerequisite for the use of tests as selection aids in industry is proper job analysis. It is essential to determine the job demands, the critical requirements which distinguish the successful from the unsuccessful incumbent or applicant. Possible factors to be considered here are e.g. qualifications, experience, knowledge and skills, mental requirements, responsibility requirements, human relations requirements and physical requirements.

After the minimum and/or desired requirements have been determined, a test battery can be selected to determine to what extent the applicant meets the critical requirements.

Tests are only aids and not panaceas.

It should be clearly understood that tests are not advocated as a complete substitute for normal selection and placement procedures. Instead, tests are instruments that yield facts about the applicant, which, in combination with other facts from the application blank, from references, and from the interview, make possible a more intelligent and reliable hiring decision.⁽²¹⁾

Stanton⁽²²⁾ says in a critical evaluation of psychological measurement in industry, that psychological tests have sufficiently proved, in the almost 70 years they have been used, that they can make a significant contribution in improving decisions about people in industry; also warned that a test is not a substitute for sound judgement.

Stanton⁽²³⁾ says that in spite of continuous warnings by some of the more conservative members of the profession, too many commercially orientated psychologists make outrageous statements and promises on the efficiency of tests. No statistically perfect test has been developed yet and until tests reach this theoretical level of perfection, a firm cannot rely on tests only.

An investigation of the uses of, and needs for and value of psychological testing proved interesting:

In a "Survey of Personnel Management in South Africa"⁽²⁴⁾ it was found that standardised tests were already used as an aid in the selection of several kinds of personnel, but that they were not very generally used. Tests were mostly used for the selection of Bantu labour (39,4%), clerical personnel (35,2%), apprentices (27,3%), production personnel (26,8%) and supervisory and managerial personnel (26,8%). The greatest need for tests was felt for supervisory managerial personnel (30,5%), sales personnel (28,4%) and management trainees (27,3%). They were more commonly used by firms with personnel departments and larger firms and

industries, while in most cases, the same firms which used tests, also experienced the greatest need for them. The less efficient firms were also fairly generally aware of the need for tests.

In an investigation into labour turnover among technical personnel⁽²⁵⁾ it was found that firms with low labour turnover used psychological tests for the selection of personnel, more often than firms with high labour turnover. In the total sample, consisting of engineers, technicians, craftsmen and operators, firms with high labour turnover used tests in 20,5% of the cases, while firms with low labour turnover, 26,4% of the firms used tests.

In an investigation in Bloemfontein⁽²⁶⁾ (mainly smaller firms) it was found that psychological tests as a selection aid were only used in 13% of the firms but that a need for tests, was experienced in 42% of the firms.

In still another study on labour turnover⁽²⁷⁾, it was also found that firms with low labour turnover (46,6%) were making more use of tests as a selection aid than firms with high labour turnover (39,4%). In this sample, 42,9% of the firms used psychological tests as a selection aid.

In an investigation into the utilisation of Black labour in Bloemfontein⁽²⁸⁾ (mainly smaller firms) it was found that the use of tests for the Bantu (only 0,9%) and Coloureds (only 1,5%) was very restricted. The greatest needs for tests were experienced in manufacturing firms, viz. 41,9% for the Bantu and 50% for Coloureds, and government and semi government institutions. (Bantu 50% and Coloureds 80%).

In an investigation by the National Industrial Conference Board in the U.S.A.⁽²⁹⁾ in 1954, it was found that 27% of the larger firms and 43% of all participating firms, used tests for selection purposes. In 1960 they found that more

than half of the participating firms used tests for selection, training, placement and development purposes.

In a study by Scott, Clothier and Spriegel⁽³⁰⁾, it was found that larger firms made more use of psychological tests than smaller firms. Firms with less than 1 000 employees, used tests in 63,7% of the cases, firms with 1 000 - 4 999 employees 82,5% and firms with more than 5 000 employees, 90,2%. Clerical tests are in most common use (96,1%); intelligence tests were used in 78,2% of the firms, mechanical aptitude tests in 56, 3% of the firms, and personality and interest tests in 54,7% of the firms.

This growing tendency has probably decreased in the U.S.A. because the Civil Rights Act of 1964 prohibit any discrimination in employment. No distinction is allowed on the basis of race, creed, nationality or sex. The restriction in a nutshell means that "any test used must measure the person for the job, and not the person in the abstract"⁽³¹⁾. The act does not prohibit the use of tests but test users expose themselves to prosecution because differences pointed out by tests sometimes coincide with race and other group differences.

Ferguson et. al.⁽³²⁾ found in their study that by using a better selection procedure, which amongst others include the use of psychological tests, the labour turnover decreased by 1% while the labour turnover in the control group where the new procedure had not been used, increased by 18%.

The investigation having proved fruitful, the first step toward implementation of psychological testing was undertaken, viz. the establishment of a programme of job analysis and job evaluation.

4.4 JOB ANALYSIS AND JOB EVALUATION

The personnel development model outlined these factors in respect of job analysis and job evaluation.

- (a) The analysis of each managerial, production, and clerical job to determine the nature of the work, the qualification necessary, the nature and amount of training required and the amount of supervision necessary.
- (b) The grading of jobs in relationship to each other. This is to be a continuous function carried out until all jobs had been covered, with frequent re-examination of results.

For administrative purposes the model was sub-divided into the following.

- (i) Salary administration, being a personnel guide to management on the administration of salaried, or ungraded staff positions. (copy of supporting documents contained in appendix D).
- (ii) Wage administration, being a personnel guide to management on the administration of wage, or graded staff positions (copy of supporting documents contained in appendix E).

The distinct difference between salaried and wage positions being the time of remuneration payment. Salaried employees were paid on a calendar month basis, whilst wage earners were paid on a weekly basis.

4.4.1 PREPARING FOR THE PROGRAMME

The following steps were essential in the preparation of the job analysis and job evaluation programme.

- (i) Recognition of the need, and the subsequent decision to install an easily understood system.
- (ii) The assigning of an individual to administer the programme -- at Epic Oil Mills, this officer was the Personnel Officer.

- (iii) After the Personnel Officer had become knowledgeable on the subject of job analysis and job evaluation, it was the duty of the Personnel Officer to explain to the management committee the ramifications of the programme.

The Managing Director had a role to play in the preparation of the programme. It was the top executive's duty to arrange the following.

- (i) Call a management committee meeting to explain the total programme.
- (ii) Repeat the same conference format to explain the programme to middle- and junior management levels.
- (iii) Inform all employees of the programme, being careful to stress the significance of an objective procedure which will emphasize fairness in paying salaries and wages.

4.4.2 IMPLEMENTING THE PROGRAMME

The total programme consists of four steps;

- (i) Preparing job descriptions (following an analysis of each job);
- (ii) evaluating and grading jobs;
- (iii) establishing a salary and wage structure; and;
- (iv) providing a plan for administering the programme.

Figure 8 depicts these four steps in a graphical, flow-chart system.

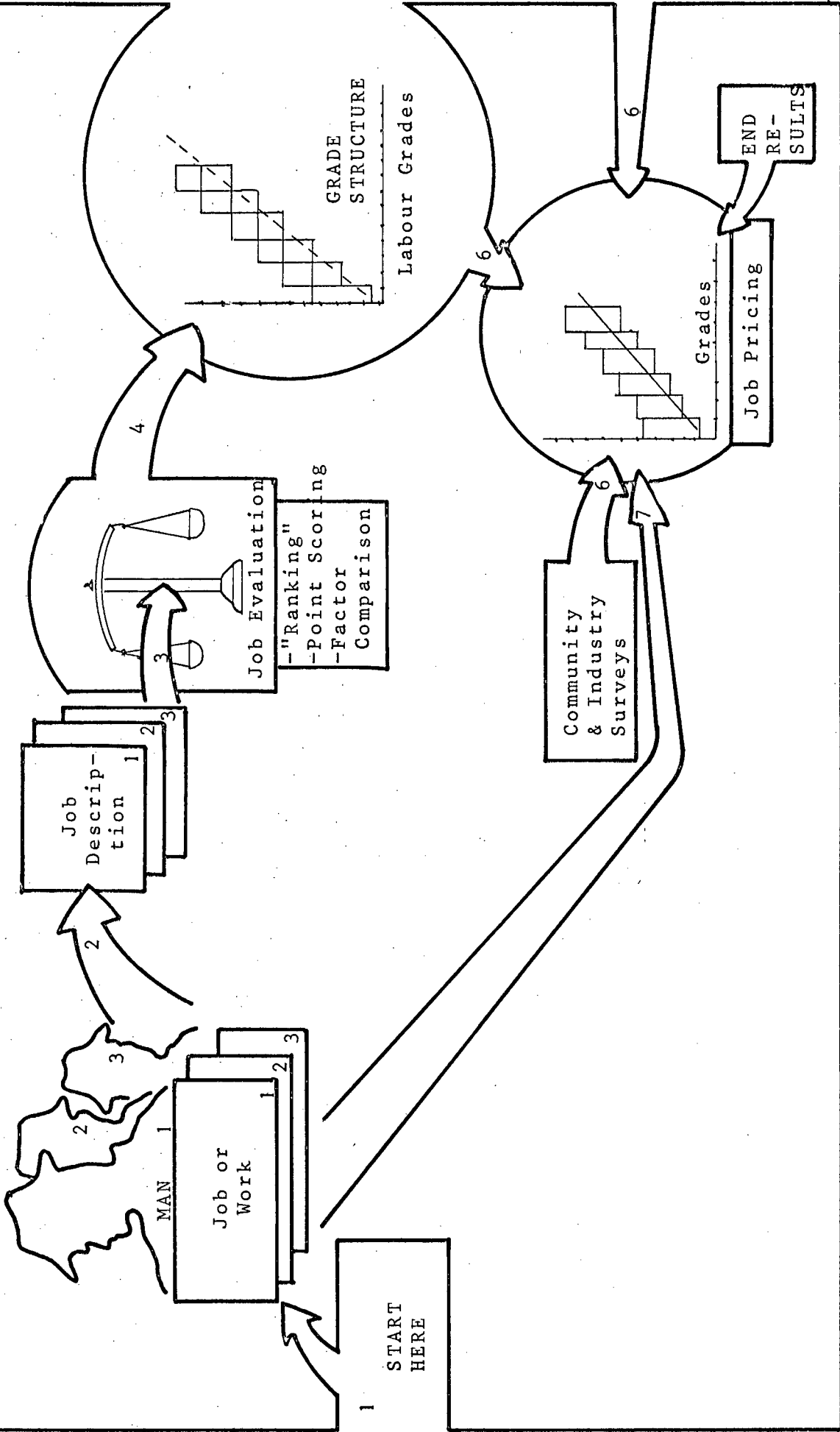


Figure 8: Flow Diagram of the Job Analysis and Job Evaluation Programme

4.4.3 WRITING JOB DESCRIPTIONS

The Personnel Officer spearheaded the preparation of written job descriptions, following these steps.

- (i) Distribution of job questionnaire (appendix D) forms to all departmental managers. This form calls for a general statement of the overall job, a list of specific duties performed daily and at other times, reports or records made, and to whom the job is accountable.
- (ii) The Personnel Officer and the departmental manager go over each job questionnaire to establish correct reporting.
- (iii) The Personnel Officer writes job description. At Epic Oil Mills the graded positions were fully written up (appendix E) whilst the ungraded positions were not fully written up. The rationale underlying this decision was to retain flexibility in the salaries (ungraded) positions.
- (iv) Submission of the job description to the departmental manager for approval or changes. It was found advisable to have the job incumbent review the description and be satisfied with it.
- (v) When finally approved, the departmental manager signed the job description questionnaire.

4.4.4 EVALUATING THE JOBS

The method adopted in obtaining the job factors and their ratings was to form an ad hoc committee of supervisory personnel, four to seven in number, representative of the departments in which the tasks fell. In this way, production and maintenance sections were separately represented by personnel who knew the requirements of the tasks performed by

employees in their respective spheres. The personnel department was always represented on this committee.

Procedure was as follows. A brief definition was prepared by each committee member for each job. By job definition here is meant a concise statement of the nature of the task, the duties for which the worker is responsible, and the personnel to whom he is responsible. These job definitions, extracted from the job questionnaire, served as reference points for rating by clarifying job titles and extent of duties, particularly in cases where the same job title covered duties differing in scope. One further point was served in that these job definitions focussed attention upon "fossil" tasks, tasks which had in course of time become redundant or had been combined with other duties, but which were in some instances still extant.

When both supervisory and non-supervisory tasks were rated on the list of job elements which appeared to characterise the total range of duties, it became obvious that on certain job elements some tasks would not be scored at all. These elements were in fact not applicable to these jobs. 90% of the labour force could not be scored on elements which were concerned with the supervisory aspects of the jobs. If supervisory elements came to be weighted more heavily than other elements, then, when gradings came to be associated with wages a wage rate dichotomy would result, which could easily be unsuitable to managements' needs and impractical to operate. In the first place, wage decreases might have to be made in a large number of tasks. Secondly it would permit no possibility of non-supervisory jobs being graded above supervisory, a contingency which could not be ignored.

To overcome this difficulty, it was decided to obtain in the first instance a grading of all jobs on all job elements. Job elements were then grouped in pairs by virtue of a

common job characteristic, of which each element was one aspect. These pairs of elements were further compounded into groups of two pairs. It was assumed that the job factor thus formed could be imagined as a continuum on which all tasks rated could be meaningfully placed relative to one another. The four factors eventually derived are given below, with the job-elements composing them.

1. Mental and physical strenuousness

- (a) job complexity
- (b) judgment
- (c) degree of maximum physical effort
- (d) duration of maximum physical effort.

2. Responsibility for personnel and equipment

- (a) personnel supervised
- (b) area of supervision
- (c) cost of equipment for which responsible
- (d) chance of damage to equipment.

3. Difficult and dangerous working conditions

- (a) maximum difficulty of working conditions
- (b) duration of work under maximum difficult conditions
- (c) maximum danger involved in job
- (d) duration of work under maximum dangerous conditions.

4. Training and Experience

- (a) training required
- (b) level of ability
- (c) job experience required
- (d) standard of education.

Factor 1 could be regarded as rating job stress, factor 2 as covering responsibilities, factor 3 as dealing with environmental conditions and factor 4 as detailing qualifications.

Each job-element was sub-divided on a five-point scale which was defined briefly where it was found to be necessary. Thus elements concerning duration required merely a sub-division of the shift period and were answered almost automatically. Training elements were likewise largely factually determined. Where there was scope for misunderstanding, more precise definitions were attached to job elements, e.g. 1a, 1b, 2a, 2b.

1a. Job complexity

- (a) A job of very great complexity requiring a high level of mental capacity and involving the distribution of attention over an involved process.
- (b) A job of considerable complexity requiring a good deal of mental capacity and involving the distribution of attention over a fairly involved process.
- (c) A fairly complex task requiring fair ability and the distribution of attention in a task which involves more than one process.
- (d) A fairly simple job not requiring a high degree of ability or a wide distribution of attention except over a few simple processes.
- (e) A simple task needing little ability and requiring attention to one simple process.

1b. Judgment

- (a) A job where decisions have to be taken on important matters frequently.
- (b) A job where a good many decisions have to be taken on matters which are of considerable importance.

- (c) A job which entails a fair amount of routine application of established procedures although permitting the exercise of judgment on some occasions.
- (d) A job which is largely routine and the following of established practice under close supervision.
- (e) An entirely routine job where each process is governed by a set of established rules.

2a. Personnel supervised

- (a) Other supervisors
- (b) One large gang
- (c) One small gang
- (d) Under four workers
- (e) Nil.

2b. Area of supervision

- (a) Personnel scattered and on different jobs.
- (b) Personnel scattered and on one job.
- (c) Personnel confined and on different jobs.
- (d) Personnel confined and on the same job.
- (e) Nil.

Each of the sixteen job elements was then treated in a fact- or "rack-up" stage. Discrepancies between raters on each job for every factor was discussed in committee until unanimity was reached. Each job now had an agreed value on each element. Next, in a job "rack-up", jobs were listed under each factor separately and inspected by the committee to see if further amendments were necessary.

Each job was now represented by a series of numerical values on sixteen job elements. The factor values were formed from the groups of job elements by an arbitrary system of weighting

applied in committee. Each pair of elements in each group was weighted, e.g., mental strenuousness might be given a weight of 1.5 against 1.0 for physical strenuousness.

The four factors thus formed appeared to cover the main work characteristics of the job. Furthermore, both supervisory and non-supervisory tasks could be graded on these factors, so that one job evaluation system could then be devised to cover all tasks performed by Africans.

Each task had now a set of numerical values on each of the four factors. These numerical values had been determined arbitrarily and weighted arbitrarily by the committee. The problem now remained of converting these values into wages. This involved the combining of factor scores into a single total score for each job, and the conversion of these total scores into a wage scale workable within the practical limits imposed.

One solution to the weighting problem involved in the combining of factor scores is the use of multiple regression analysis, which assigns weights to the factor variables in order of their contribution to a selected criterion.

There is one serious criticism which can be made of the use of multiple regression analysis in this context. In the first place such an analysis will perpetuate the existing wage structure. Jobs will be ranked in order of total factor scores weighted in a regression analysis using as criterion a fixed wage structure. Wage modifications can be made as a result of the analysis, but only of a restricted nature and within the existing wage structure. But the practical problem was less confined. It was possible to extend the existing wage structure. In fact it was desirable to do so in such a way as to increase wages in the higher skilled tasks.

In view of this criticism, the multiple regression method was replaced by a new technique of analysis. This technique is not necessarily better than the multiple regression method, nor is it less arbitrary. Its value lies in its capacity to meet the practical requirements of job evaluation in the industries concerned. It accepts the arbitrary basis of factor ratings, but it does not restrict the evaluation to an existing wage structure.

The problem of assigning weights to job factors was overcome by simply adding the four factor scores together. This procedure was justifiable on the grounds that since the evaluation was based on four factors, it could be assumed that these factors represented the four important aspects of the wage structure. In any case, as has been previously noted, a system of weighting was carried out arbitrarily by committee on the pairs of job elements in each group of four. The four factors were therefore weighted in a manner which might be said to be most nearly representative of the important aspects of the wage structure in so far as could be achieved by the judgment of competent supervisory personnel qualified to judge.

Subsequent analysis was based on the simple sum of the four factor scores for each job. The choice of a suitable relationship between total factor score and wage presented a problem. In the absence of any a priori arguments in favour of any one particular form that this relationship should assume, various equations were tried out. Finally, it was decided to use an exponential function of the type:

$$\log_e y = a + bx + cx^2 + dx^3$$

where y = basic wage and x = total factor score.

4.4.5 GRADING OF JOBS

Jobs are divided into grades (refer to appendix E) so that when rates are established they are not applied to individual jobs but rather to groups of jobs that are rated about the same number of points. To break the total list of jobs into grades, use was made of an even point distribution, recognizing acceptable natural divisions between jobs.

4.4.6 PRICING THE JOB

The next step was that of pricing the job, or the design of an adequate salary structure. To establish realistic rates for job grades and levels the following steps were taken.

- (i) Take a regularly recognized representative job in each grade or level (termed a benchmark job) and obtain community rates. Inquiries were made, in the first instance, to other companies directly; thereafter, a wage and salary survey was conducted. Care was taken to compare like jobs; for this end, a common job description was used and followed. (Example of such job description and salary survey contained in appendix F).
- (ii) In the co-operative wage and salary survey (appendix F) the present wage of employees at Epic Oil Mills was reflected against those of competitive companies.
- (iii) Having established competitive wages and salaries for like jobs, adjustments were made in the rate paid at Epic Oil Mills.
- (iv) To allow for advancement in a particular graded position, minimum and maximum rates for each job grade, based on prevailing and competitive rates were established. The minimum rates for job grades and positions were separated by a constant percentage. This

separation according to a given percentage of 8% provided a pattern of even uphill steps for employees to advance through the salary and wage structure (refer to appendix D) for rate range specific to Epic Oil Mills). Furthermore, the present difference between minimum and maximum was the same in all grades -- a given 40%.

4.4.7 PUTTING THE PROGRAMME INTO OPERATION

It was important that the top level of management understood and thoroughly approved of the programme. Without such full understanding and support the very inequities between departments and divisions that the programme is designed to guard against would not have been countered. It was a further need to inform the lower echelons about the programme: There is probably no area in which the grapevine present in any organization will be more active than on matters pertaining to employee's pocket book and status with the company. It is likely, that everyone will know that a wage and salary programme was published (refer to appendix D and appendix E). Obviously confidentiality was maintained, and at the lower levels, each individual only learnt of the grade and range for his own job. In particular, this confidentiality was maintained in the salary levels applicable at Epic Oil Mills.

A copy of the complete wage (appendix E) and salary (appendix D) programme, including the job evaluation manual, was distributed to a confidential list of managers. This publication served as a constant check on all managers and upon the mentality of the company policy. It also helped extend the manager's horizon beyond the scope of personal activities.

4.4.8 MAINTAINING THE PROGRAMME

It is essential that programmes of this nature be dynamic, not static.

Job evaluation must be kept current. Job descriptions must be kept up to date, new jobs added, old jobs deleted. The simplest procedure called forth the personnel administrator, as a neutral agent, to work out any changes or additions with the departmental manager. Where agreement was reached, the revision was put into the job evaluation manual; where the two could not conscientiously agree, the dispute was referred to the standing job evaluation committee, as referred to in section 4.4.4. Likewise, the wage and salary structure was kept up to date. Community wage surveys were undertaken on a six-monthly basis. Published reports of wage and salary trends, as well as the cost-of-living index were presented to management: Adherence to the basic wage and salary policy is assured by promptly making changes in the wage and salary structure when indicated.

4.5 CONCLUSION

Labour productivity is a matter of considerable concern to all employers, and yet many efforts to raise the efficiency of a work force tend to overlook the natural needs of the workers. This is attributable more to a lack of knowledge rather than any deliberate oversight on the part of employers, but represents a high cost in terms of underutilization of a valuable productive resource. A personnel development programme on wage and salary administration can play an important role in remedying the situation by providing a systematic variety of accepted management techniques.

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CHAPTER 5

A PERSONNEL DEVELOPMENT PROGRAMME BENEFITS AND SERVICES HEALTH AND SAFETY

5.1 INTRODUCTION: BENEFITS AND SERVICES

Nearly every organization in the country provides its employees certain tangible benefits over and above the basic pay packet. These benefits may supply financial protection against such risks as illness, accident, unemployment, and loss of income due to retirement. The benefits may provide extra leisure, extra income, and a better work environment. Some benefits help fulfill the social and recreational needs of employees. Although benefits and services are not directly related to the productive effort of the workers, management often expects to aid its recruitment effort, raise morale, create greater company loyalty, reduce turnover and absenteeism, and, in general, improve the strength of the organization by instituting a well-conceived programme in this area.

Although the term benefits and services is very widely used to designate this area of personnel management practice, other terms, such as fringe benefits, employee services, supplementary compensation, indirect compensation, and supplementary pay are also used. The frequently used term, fringe benefits, originated during World War II. Many management practitioners now object to this expression on the grounds that these benefits nowadays represent a very substantial portion of the total labour cost for a firm. They are no longer merely fringe costs or fringe items. They are important to management, employees, and unions alike.

The terms benefits and services are often used interchangeably and hence are considered synonymous by some writers. To others the word benefit applies to those items for which a direct monetary value to the individual employee can be rather easily ascertained, as in the case of a pension, separation pay, major medical insurance, or holiday pay. The word service applies to such items as a company

newspaper, athletic field, Christmas party, or company purchasing service, for which a direct money value for the individual employee cannot be readily established.

5.1.1 GROWTH OF BENEFITS AND SERVICES

With the exception of a very small minority of companies that had adopted progressive personnel programmes in the 1920's, industry, by and large, did not provide benefits and services for hourly paid workers prior to the World War II period. Pension plans were rare before 1940. By 1960 about 2 million people were covered by funded private pension plans. Paid holidays and vacations were almost nonexistent before World War II; nowadays employees typically receive six to eight holidays per year and from one to four weeks of vacation annually, depending upon their length of service with a particular employer. Prior to 1940, very few employees were covered by hospitalization and medical insurance; now such protection is widespread throughout industry.⁽¹⁾

Benefits and services represent a tangible gain to employees that is either monetary or nonfinancial, depending upon the particular item involved. They also represent a labour cost for the employer. When viewed as a cost, the dramatic increase in benefits and services over the years can be appreciated by noting fringe benefit cost data compiled by the Chamber of Commerce of the United States. Ninety-one identical companies have submitted cost figures every two years, starting in 1947. In 1947 total fringe benefit payments averaged 20,2 cents per payroll hour, whereas in 1961, they averaged 69,2 cents per hour. Expressed as a per cent of payroll the figure was 14,6 per cent in 1947 and 26,4 per cent in 1961. This has been a rise of 81 per cent in 14 years.⁽²⁾

Using wage and salary data as a whole from the United States Department of Commerce and its own estimate of fringe benefits

for the entire nation, the Chamber of Commerce has concluded that in the year 1929, fringe benefit payments by employers averaged 3 per cent of total wages and salaries.⁽³⁾

5.2 TYPES OF BENEFITS AND SERVICES

There exists considerable disagreement among writers and among management and labour spokesmen as to just what to include within the meaning of benefits and services. The Chamber of Commerce surveys⁽⁴⁾, mentioned earlier, are fairly inclusive in defining fringe benefits. This organization includes legally required payments; pensions, group insurance, separation pay, and so on; paid rest periods, lunch periods, wash-up time, and so on; payments for time not worked; and such other items as profit-sharing payments, Christmas bonuses, suggestion awards, and tuition refunds to employees. However, the Chamber of Commerce survey excludes "premium pay for time worked," a category included in many definitions of fringe benefits⁽⁵⁾. The National Industrial Conference Board includes four major classes of items in its definition of fringe benefits: (1) extra payments for time worked, (2) payments for time not worked, (3) payments for employee security, and (4) payments for employee services.⁽⁶⁾

Another analysis of the issue defines a fringe benefit as any kind of benefit that costs somebody something and is over and above the base rate of pay. At first glance this appears to be a very broad, all-inclusive definition, but the article then goes on to say that legally required overtime, unemployment insurance, and Federal Society Security payments are excluded.⁽⁷⁾

What to include under the meaning of the term benefits and services depends primarily upon one's purpose. If one wants to determine the full cost to a company, over and above the average straight-time hourly wage, of employing labour to operate the business, then the personnel administrator will adopt an all-inclusive definition. If one includes only those things that employees consider as benefits or those things that a company offers to recruit and retain qualified personnel, then a more restricted definition is used. Likewise if one includes only those items

to union-management negotiation, a rather narrow definition is adopted.

Some businessmen consider the following items to be employee benefits: rest periods, clean-up time, pay for time spent processing employee grievances, rest rooms, parking lots, accident prevention programmes, salt tablets, drinking fountains, lunch facilities, locker rooms, first aid and health services, and special protective clothing. However, these things are directly associated with work and with the people who are necessary to operate any business. They are not frills in any sense. In a civilized society these things are an essential concomitant of any work organization. Hence they ought not to be classified as fringe benefits.

In most factories that operate a suggestion plan, awards are made to employees who submit acceptable cost reduction ideas or other proposals that benefit the company. They should be treated as compensation for work produced in the same sense that incentive income under a piecework or wage incentive plan or a salesman's commission plan is paid for extra production. These wage incentive arrangements are not considered fringe benefits. Likewise a suggestion award should not be so considered either.

Extra pay for time worked (overtime, shift differential, holiday premium, and weekend premium) could be considered as a special benefit. On the other hand, it can be argued that these premiums are paid only to induce people to work at undesirable times and that they should be treated as pay for time worked. They may be considered a form of direct compensation. They are treated as a form of wages and not as a fringe benefit by Sargent.⁽⁸⁾

In accordance with the foregoing discussion employee benefits and services may be classified as shown below. Under each of the four categories which are drawn from the model as outlined in Chapter Three, are shown the principal kinds of benefits and services.⁽⁹⁾

EMPLOYEE BENEFITS AND SERVICES

A. Employee Security (financial protection against certain risks)

1. Legally required employer contributions
Old age, Survivors, and Disability Insurance
Unemployment Insurance
Workmen's Compensation
State disability insurance
2. Pensions
3. Life insurance
4. Hospitalization
5. Medical and surgical payments
6. Paid sick leave
7. Supplemental unemployment benefits, separation pay, and
guaranteed wages
8. Accident insurance
9. Contributions to savings plans

B. Pay for time not Worked

1. Holiday pay
2. Vacation pay
3. Paid leave for personal business
4. Military service allowance

C. Service Programmes

1. Social and recreational programmes, such as parties,
picnics, athletic facilities, clubs, and dances where
financed wholly or partially by the employer.
2. Special aids and services, such as savings plans, credit
unions, loan funds, scholarships for employees and their
families, company purchasing service, medical treatment
for minor sickness, subsidy for food service, discount
on purchase of company products, employee newspaper.

5.3 WHY ADOPT BENEFIT AND SERVICE PROGRAMMES?

What motivates individual companies to adopt benefits and services? Because there is practically no limit to how extensive an array of fringe benefits may be instituted, what determines a company's policy in this matter?

Most companies find that it is most beneficial to keep reasonably consistent with prevailing practice among all the companies in the labour market area. The more progressive companies generally conduct annual or biennial surveys of personnel practices and fringe benefits. This helps them to compete successfully for new employees and to retain those already on the payroll.

The need to have certain benefits in order to recruit employees is especially evident regarding the employment of technical and professional personnel. The opportunity to pursue advanced education programmes at the master's and doctoral level is especially important to engineers and scientists. Hence companies frequently establish tuition refund programmes and will even try to arrange special courses and programmes with nearby universities. Again, to recruit and retain professional employees, many firms will pay the membership dues to the professional society of an individual's choice and will pay his expenses to attend out-of-town society conferences.

Many managements are sensitive to the needs and problems of their employees. Managements recognize that at times employees, as individuals, face crises that are beyond their resources to handle. Left to their own devices many workers would be unable to provide for themselves in their old age, to pay their hospital and doctor bills fully, or to tide themselves over extended periods of unemployment. Employees need help from other sources. To provide protection against the various risks of living, in our society, the employer pays part of the cost, the government pays a share, the individual worker pays part, and in certain instances private charitable groups also help out. There are two basic arguments for having the employer contribute toward employee security pro=

grammes. One is humanitarian. This means that the employer is genuinely concerned about the welfare of the people in his organization because they are human beings. This point of view can be bolstered by ethical and religious doctrines. The other argument is "enlightened self-interest." The employer knows that anxieties, worries, and family crises that happen to a man outside his working hours tend to affect his job performance in the plant. Therefore it is to the company's own advantage to help its people out, financially and with personal assistance, when adversity strikes.

Quite frequently management will establish certain benefits and services because it believes that these will enhance employee morale and create more positive attitudes toward the company. Morale refers to the total satisfactions, of all types, that people derive from the work situation. It relates to the personality structure of the individual, the social relations in the organization, the kind of supervision, the nature of the work, company policies and programmes, and the incentives provided. Benefits and services make up part of this picture. If the morale is low because of harsh supervision or low wages, then the creation of a new pension plan or of a separation pay plan is not going to appreciably raise morale. But in the whole context of the system under which people work, the benefit and service programme does have an effect upon morale. It is certain that if a company lags far behind the prevailing area practices on such important benefits as holidays, vacations, and economic security items, such as pensions and hospitalization, then the employees will be discontented.

Sometimes employers set up quite elaborate benefit and service programmes that are designed to make the company the dominant institution in the lives of all its employees. The company seeks to provide for their economic, social, and psychological needs on a comprehensive basis. It may have social, recreational, and athletic programmes and facilities for use by employees and their families. These may include such things as a country club, swimming pool, tennis courts, hobby clubs, dances, parties, bowling leagues, and the like.

The benefits may include such things as a savings plan, stock purchase plan, profit sharing, educational programmes, the usual economic security items, and a company small loan fund. In addition, the company may provide medical counsel, legal aid, and personnel counseling. Such an elaborate programme of benefits and services possesses the earmarks of a paternalistic employer. Some well-known companies have been outstandingly successful with their paternalism. The intention of such a personnel programme is to make the company the center of all the employees' lives (including their families as well). Top management believes that this will generate greater loyalty, greater cooperation, higher morale, and perhaps higher productivity. Top management also feels the people will have little inclination to unionize under such a paternalistic programme. But, more and more, paternalism is becoming a thing of the past. People do not look upon their company as the one, mighty, all encompassing institution in their lives. They want the opportunity to freely participate in the economic, social, recreational, educational, and political affairs of their community. In short they want to be free men and women.

Sometimes companies establish attractive fringe benefit programmes in order to enhance their public relations image. The company may expect thereby to improve its market position and enhance product acceptance in the minds of the buying public. Presumably if the company is known as a good place to work, it must also make high quality products. (At least this is the theory.) The company may also expect to gain greater respect from the community because it has demonstrated a considerable measure of social responsibility by establishing a sound benefit programme.

5.4 BENEFITS AND SERVICES PROGRAMME AT EPIC OIL MILLS

The Management Committee in consultation with the Personnel Officer established a philosophy pertinent to the benefits and services programme at Epic Oil Mills. This philosophy took cognisance of the needs and problems of the employees at Epic Oil Mills, whilst paying attention to the fact that a benefits and services programme must, if adequately administered, play a part in the structuring

of employee-employer morale. The Management Committee in deliberation of a philosophy paid particular attention to the pitfall of paternalistic management. Due consideration was therefore given to the provision of a programme of benefits and services which would be adequate and acceptable, but not all-encompassing.

As outlined in Chapter Three, Epic Oil Mills, was a wholly-owned subsidiary of the Premier Milling Group of Companies. As such the benefits and services programme was originated at a group level: A Group staff department, the Premier Milling Pension Fund, and a private medical aid company, Topmed, were responsible for the policy structure of the benefits and services programme. In essence, the programme as such was "passed down" to Epic Oil Mills.

Prior to the appointment of a Personnel Officer at Epic Oil Mills, the benefits and services programme was administered by a female clerical worker. An administrative strategy as laid down by the Group staff department, and by the medical aid company, was followed. An initial investigation of these procedures by the Personnel Officer found the administration of the benefits and services plan to be totally lacking in "employee orientation": The programme was being administered without giving due regard to the needs and desires of the employees of Epic Oil Mills. As a result, the total programme received little support from employees. Furthermore, the programme was not regarded as an employment benefit. (The management strategy of using benefits and services to extend employee morale, and to create a more positive attitude toward the company was proving fruitless).

The Personnel Officer formulated the following plan to deal with the problem.

(a) Knowledge of the programme

To ensure that every employee knew of the programme, and that the programme enjoyed great visibility and employee acceptance, a brochure titled "Epic Oil Mills (Pty) Limited Employee Benefit Plan" was published and distributed to all employees.

Copy of supporting document is in appendix G. The brochure set out to answer employee questions in a sharp, clear-cut manner. Emphasis was placed on "people-orientation"; questions and answers being used in preference to lengthy text.

(b) Counselling

The Personnel Officer undertook extensive employee-counselling to eradicate problems which had resulted due to poor "employee-orientation" administration. Special attention was paid to personal detail and assistance was given whenever requested.

From July, 1973, through to October, 1974, 320 individual employee-counselling sessions were held. A break-down of these sessions reads as follows;

- (i) 209 individual sessions dealing with the medical aid plan;
- (ii) 51 individual sessions dealing with pension plan;
- (iii) 20 individual sessions dealing with workmen's disability plan;
- (iv) 30 individual sessions dealing with bursary scheme;
- (v) 5 individual sessions dealing with home ownership plan; and
- (vi) 5 individual sessions dealing with military service plan.

The counselling sessions were well received by the employees of Epic Oil Mills. Although a specific measure of the effectiveness of these counselling sessions was not isolated, it is postulated that this strategy had a tangible effect on the attitude survey which was conducted at Epic Oil Mills (Chapter 10).

(c) Administration of the programme

Knowledge of the system, and employee counselling would not have proved fruitful, had not the administration of the benefits and services programme been placed under the immediate

control of the Personnel Officer. The female incumbent previously responsible for the administration of the benefits and services programme received training in 'employee-counseling', and was instructed to give attention to the employee orientation of the programme. In essence, administration was re-designed to use the strategy of using benefits and services to extend employee morale, and to create a more positive attitude toward the company.

5.4.1 INNOVATION: SOCIAL AND RECREATIONAL PROGRAMME

The success of the formulated plan to deal with the benefits and services plan at Epic Oil Mills led to the introduction of a social and recreational programme, which included parties, picnics, athletic facilities, clubs and dances. The innovation was financed wholly by the employer.

Administration of the recreational programme was rested, in the first instance, with the Personnel Officer and, in the second, with the personnel secretary to the Managing Director. This latter incumbent was responsible for the organization of the Christmas Party, social dances and employee picnics and parties. The Personnel Officer took up administrative control of two company soccer teams and a cricket team. Once again, it is postulated that the introduction of a social and recreational programme had a tangible effect on the attitude survey conducted at Epic Oil Mills (Chapter 10).

5.4.2 INNOVATION: SOCIO-MEDICAL

As a result of the success of the formulated plan to deal with the benefits and services plan and because Black employees did not enjoy adequate medical coverage, the management committee, in consultation with the Personnel Officer, decided to establish a socio-medical division. This division was staffed by two part-time medical officers and three nursing sisters. The medical officers visited the respective Epic plants for consultation on a given morning each week.

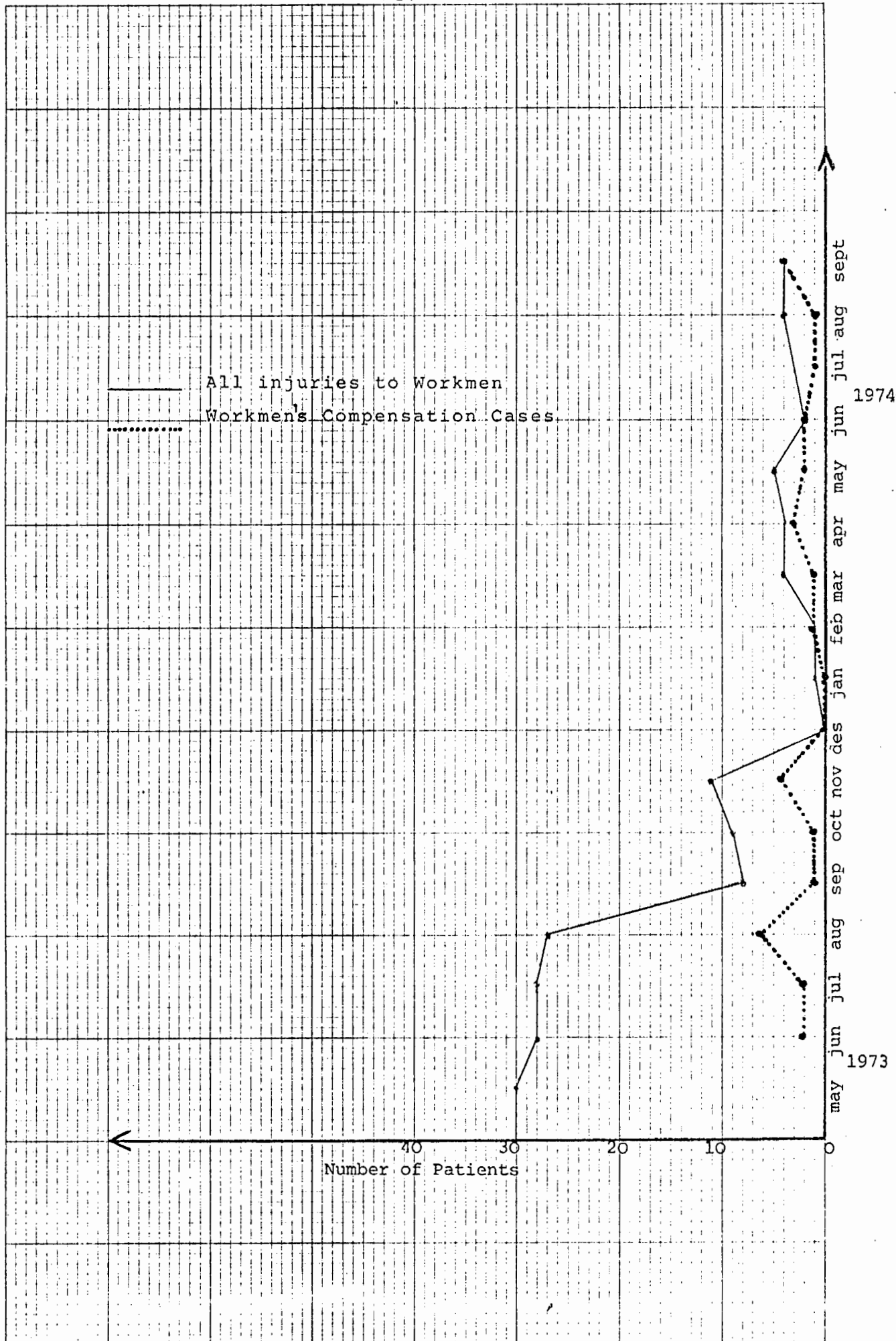


Figure 9: Total Accidents, May, 1973 to September, 1974.

The nursing sisters (Black) were on duty, each day from 7 a.m. to 5 p.m. On the night shift, trained first-aiders were on duty. The division was housed in sick-rooms at the various plants. These sick-rooms were fully equipped with medical and first-aid facilities. The establishment of the socio-medical division was "seen" as a benefit and service, however certain trends in respect of factory accidents became apparent: With respect to the graph (Figure 9) several points are pertinent.

- (a) The most dramatic impact following the socio-medical division was the fall of total accidents in the fifth month after the sick-rooms were opened. It is postulated that the need for caution created by the presence in the plants of a full time sister who undertook safety counseling, was the prime reason for the drop in total accidents as reflected in Figure 9.
- (b) From a purely humane point of view it was felt that the socio-medical division played a leading role. Prior to this innovation, Black workers enjoyed no medical coverage whatsoever.
- (c) The total number of patients fell markedly; fewer accidents and fewer employees attempting to "shirk" duty. Furthermore, early treatment of an ailment ensured that repeated visits to the sick room were not necessitated.
- (d) The number of W.C.A. (Workmen's Compensation Assurance) cases per month did not rise above four since August, 1973. The role of the nursing sisters and their safety counseling being very pertinent.

The innovation of the socio-medical division was the start to Epic Oil Mills programme of safety within the plant.

5.5 HEALTH AND SAFETY

The incentive for an employer, like Epic Oil Mills, to reduce work injuries and advance the health of employees is twofold. One is the humanitarian concern for the well-being of the employees. This means that the employer genuinely seeks to prevent human suffering and to maintain a safe, healthy environment. The other incentive is cost. It is more economical to maintain an accident-free plant and to have full attendance on the job than it is to have extensive lost time due to job-connected injuries and sickness. In point of fact, the real impetus for the introduction of a health and safety programme occurred because of the passage of Workmen's Compensation Law⁽¹⁰⁾. These laws hold employers financially responsible for injuries incurred by the employee on the job regardless of the specific cause of the accident. The experience-rating provisions of these laws cause companies having high accident rates to pay higher insurance premiums than those having low accident rates. Industrialists and business executives may have deplored the human damage suffered in unsafe plants prior to the passage of these compensation laws, but these individuals have been actually prodded into action to a greater extent because of the legislation.

5.6 ESTABLISHING A SAFETY PROGRAMME

Following on an investigation into the field of occupational safety, the following programme of safety was established at Epic Oil Mills:

5.6.1 OBJECTIVES AND POLICY

The element of top management support is intimately related to the objectives of the safety programme. For, it is top management that sets the safety objectives and policies in the first place. It is top management that decides, ultimately, how extensive a safety programme is set up, the calibre of safety personnel that will be employed, and how much money, in total, it will invest in safety.

5.6.2 ORGANIZATION

At Epic Oil Mills Limited, a committee headed by the Technical Manager and composed of some of the factory line

supervisors was established to co-ordinate the safety programme. (The Personnel Officer acted in a consultative role to this committee). One of the prime responsibilities of this safety committee was to analyse and evaluate potential accident-producing conditions and decide upon ways of correcting them. Commonly the safety committee reviewed reports of periodic factory inspections (often conducted by a safety inspector or a team of foremen) and decide whatever action appears necessary.

5.6.3 ESTABLISHING RESPONSIBILITY FOR SAFETY

The establishment of a safety committee composed of factory line supervisors ensured that safety was placed on an equal status with responsibility for production, cost control, quality and profit making. Whenever the responsibility for maintaining a safe factory is relegated to the position of a frill that can be attended to only after the more important objective of production, costs and efficiency are achieved, then injury rates will be excessive and will remain so until line management at all levels devote adequate attention to accident prevention.

5.6.4 ACCIDENT ANALYSIS AND TABULATION

Every accident that resulted in a personal injury, whether it be simply a first-aid case or a more serious disabling accident, was investigated by the injured employee's supervisor to ascertain the cause(s) and to determine what specific remedies were required to avoid a recurrence. Such investigation was undertaken (naturally) after the injured employee had been adequately treated and cared for. Although the primary reason for accident investigation is to find out what action must be taken to prevent a recurrence, accident information provides excellent case study material for use in safety training meetings. Figure 10 shows an accident report form. This form records all the essential information needed for identifying the injured employee, indicating the causes, applying preventative measures and compiling injury statistics.

Although every accident was to be investigated and reported by the supervisor, a more intensive investigation was carried out by the socio-medical division for all but the very simple and elementary accidents. This was considered necessary so that the socio-medical division could be fully cognizant of the accidents occurring in the factory and so that technical skill could be applied to uncover possible causes of the accident which were possibly overlooked by the supervisor. The socio-medical division periodically summarised all injuries that had occurred and classified them according to department, shift, cause, type of injury and whether disabling or not. Injury statistics are valuable for revealing where further effort must be exerted to achieve improvements in the safety programme, for comparing the record from year to year and for apprising management of needs for further action.

5.6.5 EDUCATION AND TRAINING

Safety education for all levels of management and for employees is a vital ingredient for any successful safety programme. Education in this context concerns the development of proper perspective and attitudes toward safety. It deals with basic fundamentals and the reasons why. Training is more concerned with immediate job knowledge, skills and work methods.

Both education and training needs were combined and met in the educational television programme, "Safety and You", which was produced for use in the safety programme.

On-site safety within Epic Oil Mills was regarded as an area in need of training attention. A survey, using the accident report format (Figure 10) for data collection highlighted the fact that the majority of accidents incurred and injuries sustained were the result of negligence and lack of foresight. In the first instance, a formal (classroom) training approach was adopted in conjunction

EPIC OIL MILLS (PTY) LIMITED

Name of injured employee: _____ Date of report: _____

Remarks	Remarks	Remarks

Describe accident: Include machine, object or substance involved. Give all details, including what the workman was doing at the time of accident.

Was accident caused directly or indirectly by another person Yes No

FIGURE 10 (Contd)

If so, by whom: No _____ Name: _____ Position _____

Any physical disability? _____

No. of previous disability injuries _____

Injured's occupation		No.	Supervisor	Shift
Age	Length of service	Department		Factory
	At On job			

Supervisory

Did the worker understand the job? _____ Yes _____ No

Was the worker shown how to do the job? _____ Yes _____ No

Had the worker been warned of any specific danger? _____ Yes _____ No

What warning was given? _____

By whom: _____ No. _____ Name _____

Guides to corrective action

1. Unsafe Acts

_____ Stop the worker
 _____ Study the job
 _____ Instruct-tell-show-try-
 check
 _____ Follow up
 _____ Enforce

3. Unsafe conditions

_____ Remove
 _____ Guard
 _____ Warn

2. Do you feel the accident was caused by

_____ Poor supervision
 _____ Lack of supervision
 _____ Inadequate training
 _____ Lack of maintenance
 _____ Inattention

_____ Negligence
 _____ Deliberate
 _____ Poor housekeeping

If supervisor cannot handle them recommend to:

_____ Own supervisor _____ Technical department _____ Engineering _____ Personnel

Any further recommendations _____

Has cause of this accident been responsible for previous accidents?

_____ Yes _____ No

Has this accident been previously reported _____ Yes _____ No

Length of time employee absent from work through accident

_____ Hours _____ days _____ weeks

Sign

Foreman or dept head	Factory manager	Medical officer	Engineer
			File

with a safety poster programme. Positive results to this approach were minimal, the negating factor being the poor association between factory floor plus accident and classroom plus no accident. In essence, the classroom, training officer and content of the safety lecture were "enjoyed" but poorly learnt. The decision to use an educational television programme to disseminate the safety training message was based on several factors.

- (a) Impersonality diminished to allow for greater association, thereby changing attitude toward greater safety consciousness.
- (b) The importance of the reception environment played a leading role in the programme: Presentation of the programme in the work area and not in a classroom. (The television equipment was wheeled to the work area). This presentation ensured the association of the programme with the work situation.
- (c) The workers watching the educational television programme had to play an active part in the programme. During the production the workers had to associate and participate in the role playing of a typical accident. This activity met the need for "learning by doing".
- (d) Reinforcement of the learning took place immediately after the programme ended. The departmental supervisor made reference to a recent accident in that particular department, discussing preventative action. In this regard, the educational television programme was used as an effective medium relating training with "on-the-job" activities.

5.6.6 ENFORCEMENT

To ensure that safety awareness created by the education and training activity was perpetuated, the production management

of all Epic Oil Mills' factories helped secure adherence to established policies, procedures and regulations by periodically touring the factories to observe conditions and activities of the workers. If the production management noticed workers performing jobs without wearing required protective equipment or if the production management observed faulty maintenance practices that could cause accidents, the manager will call these items to the attention of the departmental supervisor.

The enforcement aspect of safety must be done in a positive, supportive manner. High pressure and continual hounding of men leads to fear and resentment. With proper indoctrination and training there should seldom be need for punitive action for violation of company safety regulations.

5.6.7 HEALTHFUL WORK ENVIRONMENT

Not only does management have an obligation to create a safe factory to prevent injuries that occur at a specific point in time and place -- that is, accidents -- but it also must create a healthy factory environment to prevent occupational diseases. This was the role of the socio-medical division. Stated succinctly, this role underscored the fact that the factory environment must be regulated in such a way as to be conducive to employee health, well-being and morale.

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¹⁰ Workmen's Compensation Act, Act No. 30 of 1941.

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CHAPTER 6

THE TRAINING FUNCTION

6.1 INTRODUCTION

An intrinsic benefit of the use of a model of personnel development and training is that of self-pacing. Having established a firm base of operation in the development of programmes of wage and salary administration; benefits and services; and, health and safety, the foundation is prepared for the effective introduction of training.

6.2 TRAINING DEFINED

Training may be defined as the organized procedure by which people learn knowledge and/or skills for a definite purpose. The objective of training is to achieve a change in the behaviour of those trained. In the industrial situation this means that the trainees shall acquire new manipulative skills, technical knowledge, problem-solving ability, or attitudes. It is expected that the employees apply their newly acquired knowledge and skills on the job in such a way as to aid in the achievement of organizational goals.

Training is often distinguished from education. Education is thought of as being broader in scope. Its purpose is to develop the individual. Commonly education is considered to be formal education in a school, college or university, whereas training is vocationally oriented and occurs in a work organization. Training usually has a more immediate utilitarian purpose than education. In practice, training and education frequently occur at the same time. This is to say that the distinction is not always necessary or appropriate. Some formal vocational school programmes are quite immediately practical and job-oriented, whereas some executive development programmes in industry cover fundamental principles and philosophy, are broad in scope, and certainly should be designated as education.

6.3 TANGIBLE BENEFITS OF TRAINING

Training is a vital and necessary activity in all organizations. It plays a large part in determining the effectiveness and efficiency of the establishment. An examination of some of the major contributions that training can make would include the following.

6.3.1 REDUCED LEARNING TIME TO REACH ACCEPTABLE PERFORMANCE

By having qualified instructors and carefully controlled learning situations, management in countless cases has been able to obtain shortened learning periods and higher productivity from new employees. For example, one industrial company had traditionally expected its new male employees to learn a skilled craft simply by working alongside experienced craftsmen. Typically it required two to four years (depending upon the particular occupation) to reach acceptable proficiency. A rapid expansion of the business forced the company to establish formal classroom courses to speed up the learning process. It found that new men were able to reach the desired performance levels within one to two years after initial hiring and in some cases in even less time⁽¹⁾.

6.3.2 IMPROVED PERFORMANCE ON PRESENT JOB

Training applies not only to new employees but to experienced people as well. It can help employees increase their level of performance on their present job assignments.

6.3.3. ATTITUDE FORMATION

A common objective of company training programmes is the moulding of employee attitudes to achieve support for company activities and to obtain better cooperation and greater loyalty. Some training programmes, such as those concerned with the "economics of the business enterprise system," have this as their primary goal. In other cases, attitude moulding is simply a by-product of the instruction process.

6.3.4 AID IN SOLVING OPERATIONAL PROBLEMS

Training of both supervisory and hourly paid employees can help reduce turnover, absenteeism, accidents, and grievance rates. For example, inept supervision is often a cause of employee dissatisfaction and grievances. Supervisory training in such areas as labour relations, leadership, human relations, and administration may improve supervisor-subordinate relationships. Other operational problems that training can help solve are low morale, poor customer service, excessive waste and scrap loss, and poor work methods.

6.3.5 FILL MANPOWER NEEDS

One manufacturing company found it impossible to recruit sufficient skilled machinists and toolmakers. Hence it concluded that the best way to solve this manpower problem, in the long run, was to establish its own apprentice training programme⁽²⁾. A number of small manufacturers in the wearing apparel industry in an Eastern city continually find difficulty in hiring adequate numbers of skilled sewing machine operators⁽³⁾. None of these firms has any type of organized training programmes. Yet a large company in the same city seldom is short of labour, because it operates a complete training school for sewing machine operators. Consequently it is able to recruit green labour and train these women to become experienced stitchers. When totally new skills are required by a company it often finds it most practical to select and train from within the organization rather than seek the skilled personnel in the outside labour market.

6.3.6 BENEFITS TO EMPLOYEES THEMSELVES

As employees acquire new knowledge and job skills they increase their market value and earning power. The possession of useful skills enhances their value to their employer and thereby increases their job security. Training may also qualify them for promotion to more responsible jobs. This, of course, increases pay and status.

6.4 ORGANIZATION FOR TRAINING

In small companies (in manufacturing, a small company is generally considered to be one having under 500 employees) training is, to a great extent, of the on-the-job variety, and it is done by line supervision. Where personnel departments exist in these companies as was the case at Epic Oil Mills, the planning and coordination of training activities is typically one of the many responsibilities of the Personnel Officer. It is rare to find specialization carried to the point of having a separate training section within the personnel department.

On the other hand the vast majority of large companies have a separate training section within the personnel or industrial relations department. This is the most common organizational arrangement for managing the training function. In a questionnaire survey of members of the American Society of Training Directors, Belman and Bliet found that 85 per cent of the respondents indicated that the training function was located, organizationally, within the personnel, industrial relations, or employee relations department. The other organizational locations were scattered among production, sales, office of the chief executive, and a separate division⁽⁴⁾.

The training section is properly considered a staff function. It performs in the areas of programme formulation, advice, service, and control in regard to organization-wide training activities. Quite commonly in industry, training of sales personnel is the responsibility of the sales division and is divorced organizationally from the personnel department. In a survey of 255 organizations in business, industry, and government, Belman and Bliet found that 118 establishments conducted sales training separately from all other training activities⁽⁵⁾. This means that it is commonly placed under the authority of the sales department itself. This is done partly because of tradition and partly because the problems in sales are considered to be distinctly different from those in the rest of the organization. For one thing sales personnel are usually geographically separated from the main company locations.

The training section must commonly perform the following functions:

(1) determination of training needs, (2) development of over-all plans, objectives, and assignment of responsibilities, (3) development of training programmes in consultation with line executives, (4) collection and preparation of training materials, outlines, curricula, booklets, and audio-visual aids, (5) administration and instruction for certain courses (often orientation and supervisory development courses), (6) administration and coordination of apprentice, on-the-job, vestibule, and other courses, (7) training of line personnel and designated instructors to develop teaching skills, and (8) evaluation of effectiveness of training effort.

6.5 LINE TRAINING RESPONSIBILITIES

The question at stake is: "What are the training duties and responsibilities of lower line management?" Foremen, general foremen, and office supervisors must be alert to recognize training problems that exist in their departments. They may participate in the creation of special tailor-made training programmes to help solve specific problems in their units. They must bear direct responsibility for the successful conduct of an on-the-job training activity in their departments. If certain employees are to perform in the role of on-the-job instructors, the supervisor must insure that these employees have themselves been adequately trained in the principles of teaching. The supervisor must coach and counsel his subordinates in order to obtain adequate performance. In effect a supervisor is himself a trainer. He may conduct safety training meetings with his personnel. The supervisor selects, from among his subordinates, those who should participate in formal training programmes. He is responsible not only for meeting production goals but also for developing his people.

6.6 DISCOVERING TRAINING NEEDS

Training programmes should be established only when it is felt that they can aid in solving specific operational problems. Therefore the rational way of deciding what kind of training activity

to undertake is to make an analysis of the entire organization (people, jobs, technology, and so on) to identify trouble spots where training may help.

It should be pointed out at this point that training is not a cure-all. If employee output is low this may be corrected by better skill training. On the other hand the problem may not be one of inadequate training at all. It might be due to faulty material, process equipment, or engineering design. If it appears that the general caliber of the work force is low, this condition might be corrected by training. On the other hand it could be that the general wage level is so low that the company cannot recruit good employees.

The identification of specific problem areas in the organization can suggest ways in which training may help toward a solution. The following are ways of discovering training needs.

- (i) The identification of organizational and production problems;
 - low productivity;
 - high costs;
 - poor material control;
 - poor quality, excessive scrap and waste;
 - excessive labour-management strife;
 - excessive grievances;
 - excessive violation of conduct, poor discipline;
 - high employee turnover;
 - excessive absenteeism; and;
 - delayed production; schedules not met.
- (ii) The analysis of jobs and of men;
 - job analysis;
 - employee appraisal; and;
 - testing.
- (iii) The collection of employee and managerial opinions; being in essence the collection of interviews and questionnaires to obtain views regarding necessary and desirable training programmes.

- (iv) The anticipation of impending and future problems;
expansion of business;
new products, new services;
new designs;
new plants;
new technology;
organizational changes; and;
manpower inventory -- compare present manpower resources
with forecasted needs.

6.7 THE LEARNING PROCESS

Learning is really the core of the learning process. When management installs a new training activity it reasonably expects that through participation in this training employees will exhibit new or changed behaviour. Indeed, learning can be defined as that human process by which skills, knowledge, habits, and attitudes are acquired and utilized in such a way that behaviour is modified⁽⁶⁾.

It is known that a person has learned when he demonstrates it by performance: A mathematics student, by solving written homework problems, has demonstrated that he has learned his assigned lesson. Likewise a welding trainee reveals that he has learned to make a pipe weld by actually doing it.

6.7.1 PRINCIPLES OF LEARNING

Psychologists, primarily through experimentation, have developed a number of important principles of learning. These are equally pertinent for application by trainers who administer programmes, for classroom instructors who teach employees, and for supervisors who train employees on the job.

(a) Motivation

If trainees are not receptive to instruction, if they can see no reason to learn, then a training effort can hardly get off the ground. Adequate motivation is essential to the success of any learning situation.

People are goal-oriented in their behaviour. They will exert themselves to fulfill a felt need. For example, a man will work at gainful employment to obtain money compensation in order to buy food to allay hunger. In our advanced society, of course, people are motivated to satisfy many other higher needs besides the basic survival needs. People are motivated to fulfill social needs (love, belongingness, friendship, esteem of others, gregariousness) and egoistic needs (self-significance, self-expression, self-accomplishment, and independence). Learning is effective when the trainees perceive that they can satisfy some goal through participation in a training programme.

(b) Knowledge of Results

Somewhat related to motivation is knowledge of the learner's progress. Research experiments have demonstrated that people learn faster when they are informed of their accomplishments. After analyzing numerous research experiments concerning such diverse activities as line drawing, use of gun sights, dot-dash code receiving, and typing, Wolfe has concluded that it is essential that trainees be given knowledge of their efforts. He states that such knowledge should be automatic, immediate, and meaningfully related to the task at hand⁽⁷⁾. Thus in a training classroom students' examinations should be graded and returned to them so that they can know where they erred and what they have done correctly. In on-the-job training the supervisor should inform the employee of his successes and failures so that he can adjust his efforts if necessary. People like to experience a feeling of progress. They want to know where they stand. If an instructor returns examination papers to a class of students with only the raw scores recorded, this knowledge will be meaningless until they are told how all of the grades were distributed and how they stand in relation to expected performance. Learning is facilitated when the

trainee has some criterion by which he can judge his own progress.

(c) Learn by Doing

It is extremely difficult for a learner simply to listen to a teacher explain how to do something and then be able to do it solely from the explanation. It is by actually performing the task that a student really learns. The greater the number of human senses involved, the more complete is the learning. The lecture method which is so traditional in colleges is seriously handicapped because the student is so passive and because he is learning through only his hearing (and to some extent seeing) sense. If one is teaching a physical task, such as operating a machine or sharpening a tool, it is easy to see how practice can be provided.

When learning is a task by practice, is it better to combine the total time devoted to practice into one concentrated session, or should the practice be subdivided into small time periods. The available research evidence seems to favour spaced practice sessions. Experiments with massed as opposed to spaced practice for simple motor skills and memorizing show that learning is superior for that type of practice which has a series of short rest periods⁽⁸⁾.

(d) Whole or Part Learning?

Whether whole or part learning is preferable depends to a certain extent upon the nature of the learner and of the material to be mastered.

However, certain generalizations can be made. If the material to be learned is simple, if the task has few operations, then whole learning is superior. Where the different parts of the material are logically inter-

related into a large unit, then the whole method should be employed. On the other hand, if the knowledge to be learned or the task to be mastered is very complex and long, then it should be broken down into parts so that the trainee can learn one section at a time.

Usually where part learning is primarily employed, the whole procedure can be presented in broad outline at the beginning and then periodically thereafter to orient the trainee to the whole subject. In fact, whole and part learning can be intermixed in the same training sequence to gain the benefits of both approaches.

(e) Is Theory Desirable?

The prevailing weight of evidence shows that learning is faster and can be applied better to new situations if the trainees understand the principles involved. This was found to be true for boys shooting at targets that were underwater: a knowledge of refraction increased the accuracy of shooting. It was also true for college students who had to solve simple reasoning problems. Those who were told the principles upon which the problems were based did better than those who were simply given sample solutions to a few problems. Those who were given a series of problems in such a manner that they could derive their own principles did still better in future problems⁽⁹⁾.

From the foregoing it is clear that a man who understands the theory behind his work is in a good position to readily adapt to new problem situations as they arise. The man, however, who has simply been trained to perform as an automaton will be hopelessly lost when confronted with situations out of the ordinary.

In summary, employees should be taught sufficient theory to understand the principles and reasons underlying

their work and to cope successfully with the general run of problems they may encounter.

6.8 EVALUATION OF THE TRAINING EFFORT

If management invests in training programmes for employees it understandably expects to see some tangible benefits derived therefrom. When a staff trainer approaches top management for approval to establish a new training activity, the question reasonably can be asked as to the good the course will do and why the company should invest such and such a sum of money in it. In short the question is: How can we determine the value of a training programme?

Trainers who are often placed in the position by top management where they must justify their existence, use a number of techniques to evaluate the effectiveness of training programmes. Generally speaking the usefulness of these methods is inversely proportional to the ease with which the evaluation can be done. One approach is to pass out a questionnaire to the trainees at the completion of the programme to obtain their opinions as to its worth. Their opinions could also be elicited by means of interviews. Another approach is to measure the knowledge and/or skill that employees possess at the beginning of training and again at the completion of training. This is accomplished by administering the same examination (or an alternate form of a single examination) before and after.

The real purpose of training is to cause a change in employee behaviour on the job and ultimately to improve the effectiveness of the organization. The aforementioned evaluation techniques do not measure employee behaviour on the job. Thus if employees say they liked a course of instruction, this is not the real payoff. A comparison of before-and-after test scores does not really get to the point either. People may show that they have learned a lot on classroom examinations, yet they may not transfer this learning to the job.

A better way of measuring the worth of training is to use various indices of work performance and compare them after the course with values before the courses. In this manner the output and quality of work of production workers, salesmen, stenographers, and other workers can be used for evaluation purposes. Though at first glance this seems to be a fruitful approach to the problem of evaluation, there is a basic flaw in the method. We have no way of knowing whether the training activity caused an improvement in the performance index or whether it was achieved as a result of a combination of other factors. An improvement might have been supervision, new work methods, and improved materials as well as training.

The most refined method for evaluating training (and one that avoids the errors of other techniques) is to measure performance before and after training for both a control group and an experimental group. This procedure can be accomplished by selecting two groups of employees that are approximately equivalent in education, experience, skill, job conditions, and performance. Subject one group to the training programme, and give no training to the other (control) group. Some time after training is completed choose relevant performance measures, and compare results for the two groups. This method is somewhat cumbersome from the administrative standpoint; however, it is one of the most fruitful methods available.

6.9 CONCLUSION

Fifty years ago new workers were expected to pick up necessary job skills and knowledge from experienced fellow-employees. The newcomers were typically called learners or helpers. Although it cannot be denied that this method of learning worked, it certainly did not work well. It was quite haphazard and caused the learning process to be very slow. Many incorrect procedures were often acquired. Frequently older workers would deliberately seek to protect their positions and status by confining the learner's activities to the menial parts of the work.

This chapter outlined a new philosophy to training -- a philosophy which acted as a fore-runner to the model of training adopted at Epic Oil Mills. The nature of training, objectives to be accomplished, organizational considerations in training, the learning process and the means of evaluating the effectiveness of training were fully explored.

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CHAPTER 7

EDUCATIONAL TELEVISION

7.1 INTRODUCTION

Many people all over the world are receiving education, information, and culture from educational television (ETV). The United States, Great Britain, France, Yugoslavia, Poland, Soviet Russia, Communist China, Japan, and Colombia are some of the many countries whose populace is viewing ETV⁽¹⁾.

In Europe, the growth of educational television commenced with the British Broadcasting Company and Radiodiffusion Télévision Francaise presenting enrichment programmes for schools during the early 1950's. In 1958, Italy introduced direct television instruction on a national basis through its Telescuola or television school of the air.

The Communist block of nations received educational television ETV for the first time in 1960. Yugoslavia first introduced educational television programming, with Poland starting at about the same time. Since 1962, Soviet television has given a great deal of attention to both its adult and school educational television ETV programming. By 1965, most of the other Eastern European satellites offered regular school broadcasts. In 1962, Communist China began offering university course work in such subjects as chemistry and physics through its Shanghai TV station. Also, its stations in Peking, Canton, and Harbin have offered "television universities" as part of the country's national worker education drive.

Japan has become one of today's world leaders in educational television. It "is the first country in the world that has fully integrated television into its education structure from kindergarten to university-level studies and into the broad field of adult instruction." By 1965, Japan had forty-six ETV stations programming throughout the nation.

Latin America has carried on ambitious ETV programming since the late 1950's. The leader of this movement has been Colombia. This country offers a full range of primary school subjects over a national network during regular school hours. Through the help of the United States Peace Corps, Colombia has become a model educational television (ETV) country.

Although the growth of educational television has been world-wide, its development is best illustrated by experience in the United States. From May 1953, to May 1957, United States educational television grew from a one-station operation to a complex of over 140 ETV stations reaching a population of 140 million persons. It has been estimated that some fifteen million students receiving elementary, secondary, and higher education, in over two thousand schools, are today obtaining either part or total instruction from television. Since 1963, the Federal Communications Commission (FCC) has received sixty-four applications for 197 channels in the Instructional Television Fixed Service (ITFS, or 2500 megacycle band)⁽²⁾. Finally, about one thousand closed circuit TV systems are operating in both public and private education, in service agencies and in industry.

Before 1956, one of the problems which surrounded the efficient utilization of closed-circuit television was the lack of an adequate and economical recording capability. The advent of tape must be considered an important break-through for televised instruction. Here was a means for recording and immediate playback with the impact of a live transmission. In addition, videotape was erasable and re-usable. With the ability to pre-record lessons, quality control became possible. A lesson could be evaluated, analyzed, tested and produced again, if needed, before being used in the classroom. Videotape allowed for the repeatable playback of lessons. Although the capital investment for videotape recorders was high, the economics favoured the educator. Lessons could be produced once, but used for several years, thereby reducing some instructional costs. The use of videotape also allowed for the exchange of lessons between institutions possessing videotape facilities.

The recent development of portable videotape recorders (also referred to as helical scan or slant track recorders) now has given playback and recording capabilities to those institutions previously unable to invest in studio facilities because of the high costs of equipment.

So much for an historical, and world overview of the use of educational television. To the present, and the vexing question "Why Television?": At the outset, it must be stated that television does not provide a panacea. It is merely a form of communication, a lens, a language, a mosaic with the filling-in accomplished by the viewer. Television as a teaching tool must acknowledge the undirectional flow of information, lacking the face-to-face exchange of reaction and interaction. But perhaps these shortcomings in themselves are linked with an exciting revolution in educational thinking. Undeniably, television has the power to indicate that something is happening now; its simultaneity vivifies the present instant in the educational process.

A possible fate facing educational television (ETV) would be that it was oversold and underused. Television is one among many resources for learning; its cost-effectiveness depends on the way it fits into many kinds of learning situations. This in turn depends on the views educators or trainers have about the kinds of contribution television can make. In investigating television in education, there has been a tendency to emphasize its effects upon learning while overlooking one aspect that may have equally important administrative implications: the effect of television upon teaching efficiency. It is in this area that the single-room television operation is having its most dynamic effect. By simply eliminating the need for duplicate presentation, television has been able to reduce the training time needed for certain programmes by as much as 70 per cent.⁽³⁾ In context, the use of the single-room television operation to present the induction programme at Epic Oil Mills provided for a saving of time which made it possible to increase the course content and to reduce the time allotted to this course.

7.2 EVALUATION OF EDUCATIONAL TELEVISION

The effectiveness of a training activity can best be determined by proper evaluation. The purpose of evaluation is to find out the extent to which the goals or objectives of a training activity are being achieved. Too frequently, the judgement of the effectiveness of educational television (ETV) is based on general impressions, isolated praise or criticisms, and even personal "hunches". It is vital that research into the medium of ETV undertake effective evaluation. When planning educational television activities, specific allocations of time and effort must be provided for the evaluation function. Fortunately the early studies by Kumata⁽⁴⁾ and later Holmes⁽⁵⁾ summarized the role of evaluation vis-a-vis educational television research. Some of the more important findings may be listed as follows:

The overwhelming majority (almost 90%) of gross comparisons between television and conventional communication conditions show no substantial difference in achievement or information gain.

The relatively few comparisons which have indicated differences in achievement and information gain show that (1) small-discussion type classes are slightly favored over one-way television, (2) one-way television is slightly favored over large-lecture type classes, (3) small-discussion type classes are greatly favored over television with audio feedback, (4) small-discussion type originating room is about equal to television with audio feedback, (5) small-discussion type favored over small-discussion type originating room, and (6) one-way television is slightly favored over printed material.

For the presentation of information, the straight talk or lecture produces greater information gain than does a discussion, in which students do not actively participate but merely observe.

An equivalent or greater gain in information can be effected in a shorter period of time when the content is presented by means of television, compared to conventional conditions.

There are no significant differences in information gain attributed to the size of the receiving room, when the total of students per receiver approximately equals in number the screen size in inches.

There are no significant differences in achievement among students placed in the front, middle, or rear of a television

receiving room, when the minimum distance from the screen is approximately twice screen size expressed in feet.

There is insufficient data on information gain concerning the lack of color with television.

Greater achievement is shown on information tests by students who receive "simple" television presentations, as compared to "highly visualized" presentations.

There is a suggestion that visual material attracts the attention of the student to such an extent that the learning of the verbal material is interfered with.

No significant differences were evidenced between males and females due to receiving information under television or conventional conditions.

There is a significantly greater gain in critical thinking and problem-solving under conventional conditions than there is under one-way television particularly for high intelligence students.

Face-to-face interaction produces more positive changes in group structure, attitudes, and socialization than does one-way television, but television can stimulate and enhance the process.

Television students develop psychomotor skills as well as conventionally taught students, providing they have equal access to any equipment which is to be manipulated.

The intelligence of the student is a greater predictor of information gain than are the Communication conditions.

There is conflicting information regarding the high and low intelligence groups, as to which fares better under certain Communication conditions⁽⁶⁾.

Kumata, in his presentation at the International Television, made some interesting comments concerning the research that has been done to the present.

In the United States, we have put most of our bets on the discovery of some effect which is directly attributable to the means of message transmission and hundreds of similar studies have been conducted. Almost all of them say that it makes no difference whether TV is present or absent. They say that if you ignore audience variables, the nature of the student; if you ignore the nature of the source, those who put on the program; and if you look just at the media of transmission, you will get rather ambiguous results.

We have been insisting that perhaps we should look at television instruction as part of a general communication process and that we may get some valuable hints from other research which has been done in the communications field.

If we were to characterize the research done, I think four points would stand out. First, no particular theoretical framework has been apparent in most of the studies. Almost all of the studies have been of an applied nature and, in Dr Becker's terms researchers have tried "to mend punctured tires." Further there has been very little dependence on prior research. Second, the overwhelming majority of these studies have been what we call "comparability" studies, and almost all of these have been comparisons of television versus face-to-face instruction. Very few studies have been done as comparisons of radio, film, and television. Third, almost all of the main dependent variables in these investigations have been some measure of students' information gain. Perhaps I could state this another way. We have been trying to find out primarily whether students can reproduce items which they heard or saw over the medium, so most examinations have been in the nature of requests for students to reproduce information previously supplied by the instructor. Fourth, most research in instructional television has been done in the classroom situation, with regularly enrolled students. In other words, research has concentrated upon the captive audience aspect of educational television.⁽⁷⁾

7.2.1 WHAT TO EVALUATE

It is possible to investigate many areas: technical matters surrounding a television lesson or series, the competency of the personnel conducting the instructional activity, both in the classroom and on television, or learner behaviour attitudes as a result of being exposed to a particular television lesson or series of lessons.

Each of these examples might be only part of the evaluation process in any given situation. The direction of the evaluation must depend on the questions being answered. As Kumata stated⁽⁸⁾, the majority of the investigations up to this time have, unfortunately, been of one type, comparing television with "face-to-face" instruction.

When considering learner outcomes, it is essential to consider the question of objectives, namely, what do we expect

to happen to a student's behaviour, attitudes, or interests as a result of a given educational activity?

A major problem facing educational television research, and all educational research in general, is the lack of clearly stated, measurable objectives. Without them it is impossible to measure whether or not a particular approach is a success or failure.

Mager⁽⁹⁾ highlights the frequent use of terms such as "understanding" and "appreciation." He points out that understanding is composed of many elements, and that a statement which does not delineate the specific nature of an understanding is almost useless when it comes to planning or evaluating instructional activities.

The lack of specifically stated objectives makes evaluation of learner behaviour extremely difficult. For example, if the objective of a series in art education is "to increase the student's appreciation of fifteenth-century art," the evaluation would have to be based on certain identifiable behavioural aspects of appreciation. This might involve the learner's being able to describe the particular elements of an art work that lead to its being considered a classic. Since there were many art works in that particular century, the objective must then indicate which are to be appreciated.

This need for pre-stated objectives virtually eliminates the practicability of conducting an investigation in an ex post facto situation, with the project being completed before any concern is given to the evaluation. When this is done, the unstated objectives are often so vague or unclear as to make any specific evaluation extremely difficult. Therefore, any evaluation process should begin with specifically stated objectives of the televised instruction.

7.2.2 THE TECHNIQUES OF EVALUATION

Many techniques can be used to evaluate educational television (ETV). Among the techniques are checklists, learner attitude scales, laboratory exercises, written tests, oral examinations, group discussions, group projects, and standardized tests. In too many instances, a comparison of the scores on written tests achieved by learners who have received certain instructions via television, and those who have received identical instruction without television, is used as the major technique for evaluating educational television (ETV). Practically all these comparisons, as mentioned previously⁽¹⁰⁾, show no statistically significant difference between the televised and nontelevised instruction. Other techniques are more helpful in evaluating the effect of educational television (ETV) on behavioural outcomes.

(a) Checklists

Checklists are helpful in determining opinions about such factual matters as the adequacy of coverage of a programme, the clarity of the picture, the number of new ideas presented, or the length of the presentation. Most items can be rated yes/no, or good/fair/poor, or on some similar pattern.

(b) Learner attitude scales

The measurement of attitudes is difficult because of the subjective nature of attitudes. Scales can be developed where students respond to questions such as:

I would prefer to study General Psychology 1 on educational television.

Strongly agree Agree Undecided Disagree Strongly disagree

A list of similar items would help assess the general direction of learners' attitudes. We often find that

a learner's attitude will directly affect achievement under any teaching technique, and that it may be wise to test for attitude toward the course itself as well as toward televised instruction. This technique was used to evaluate the induction programme (refer to Chapter 10).

(c) Written tests and oral examinations

Well-prepared objective tests, essay questions, and questions for oral discussion are helpful in evaluation. It is important to be sure that the questions reflect the areas of instruction covered on television, for otherwise the findings will be misleading. This makes it imperative that the evaluation material be prepared after the actual contents of the programme have been decided upon.

(d) Group discussion and group projects

Often the topics presented on educational television suggest group activities that can be used for evaluation purposes. Presentations on social issues are examples of these topics. Group debates, preparation of related materials, and development of assembly programmes, while difficult to measure, could be used for evaluation purposes.

(e) Standardized tests

In cases where an entire unit of study in an area such as arithmetic, general science, or English is being evaluated, standardized tests can be used in addition to some of the techniques described above. But again it is important to take care that these tests do measure the material covered in the television presentations.

When there is no standardized instrument to measure the behaviour or attitude with which we are concerned, it

is necessary to develop the evaluation instruments for the particular situation. The reliability and validity of these instruments should be determined before using them. Reliability and validity of these instruments should be determined before using them. Reliability refers to the ability of an instrument to obtain consistent results under similar conditions. Validity is concerned with whether the instrument is truly measuring the variables that we are studying. The items on the evaluation instrument or scale should be reviewed by a specialist in the particular content field in order to establish its validity. Also, a pretest should be made before using the instrument in the actual evaluation situation. Reliability should be determined by administering the instrument to a specific group of students. The test-retest method can be used, or the scores on the odd and even questions can be compared. These comparisons should be made by using one of the simpler correlation techniques⁽¹¹⁾.

7.2.3 ANALYSIS OF RESULTS

The analysis of the data from the evaluation instruments or techniques is the next step in the process. Where the evaluation involves the comparison of groups, the usual tests of statistical significance should be applied, to determine if any differences are due to chance. In most cases, however, the evaluation will not be a comparison of two groups. Sometimes the comparison may involve a pretest and a posttest, thus simply determining what change, if any, has taken place. It is often desirable to make an item analysis, or to study groups of questions or items, to determine specific strengths and weaknesses of the lesson. The question of what is a strength or a weakness must be determined from standards established by the specialists in each instructional area. For example, a score of 60 per cent on an evaluation instrument in one area may be considered adequate, while a score of 80 per cent in another

area may be considered inadequate. The interpretation of the results of evaluation involves cooperative effort on the part of the evaluation specialist, educational television specialist, and the educational specialists who actually conduct the televised instruction. Evaluation by its very nature is a process that requires the involvement of many kinds of specialist from the initiation of the evaluation to its completion.

It is also helpful to obtain other kinds of information about televised instruction. The comments or impressions of students or teachers should not be overlooked, as they may be helpful in determining why a given instructional activity was effective or ineffective. A list of questions, interviews with selected students and teachers, or an open-ended inquiry, are techniques that can be used to collect this collateral information⁽¹³⁾. Students may indicate that a given subject was not easily understood because of visual problems, or that a given instructor talked too fast. Responses may indicate that too much or too little time was given to a particular topic. While this type of information does not establish whether you are achieving the objectives of the televised instruction, it might give clues concerning the reasons for success or failure of a lesson.

7.3 THE PERSONNEL/TRAINING ADMINISTRATOR AND EDUCATIONAL TELEVISION

From the Personnel/training administrator's viewpoint, the rapid growth of educational television has brought as by-product a series of needs that demand immediate attention. There is, in fact, a need for a new kind of training statesmanship and leadership.

The technological aspects of the use of television are indeed minor when compared with the basic training questions raised. This is not intended to minimize the contributions of the engineers, technicians, and all the specialized personnel whose assistance educational television must have. Rather, it is to assert that intro-

ducing television into a training jurisdiction, be it a single school, a training system, a region, a nation, or an international cooperative, places upon us a clear and urgent need for a sound definition of programme objectives. If television is an appropriate medium, what relationship will television have to the other learning media -- the classroom, the library, the audio-visual center, and so on? These are searching questions to which there are no easy answers.

7.3.1 THE NEED FOR A NEW TRAINING LEADERSHIP AND STATESMANSHIP

It is in this area of supplying answers to these fundamental questions that we must develop a new strength in training leadership. One of the most important contributions that training leadership can make is in the formulation of training objectives. Training objectives must be defined in behavioural terms. These objectives must be defined for an entire programme, for a given course, for an individual lesson. Moreover, attention must be given to the learning climate of the learner. An example of the importance of this awareness is found in the induction project, where it was found that those who needed the training had a fear of involving themselves in the training. A very careful procedure had to be set up whereby those who needed the training could be placed in groups and given the comfort that would make it possible for them to learn. (see Chapter 8).

Furthermore, training leaders must attempt to answer such questions as these: Will the novelty of the situation enhance or impair the feasibility or acceptability of this learning experience? Will communication through the electronic medium lend an aura of authority to the presentation beyond that intended? Will the learner be able to make a transition from televised learning to books, classroom teaching, and other kinds of learning experiences? What is his educational background, his language skill level, his rate of comprehension?

The "answers" to the above questions must form an integral part of the training objective's set. Yet, not even the reliable setting of training objectives, will overcome the most important hurdle that new training leadership must face. This is the need of constant evaluation of educational television programmes: Trainers must not become so enamoured of the gadgetry that it is assumed that because of the gadgets training will (automatically) improve. Cold-blooded and eagle-eyed, evaluation of the situation is necessary.

7.4 RELATING TRAINING NEEDS TO TELEVISION SYSTEMS

Justification for television equipment installation at Epic Oil Mills was based upon an analysis of training needs suggested by the following questions⁽¹⁴⁾:

1. Why is television needed?
 - a. To bring supplementary instructional resources to the classroom?
 - b. To aid a teacher in giving the best possible instruction to students?
 - c. To provide instruction in specialized areas when qualified teachers are in short supply?
 - d. To accommodate increasing enrolments?
 - e. To help compensate for limited building budgets?
 - f. To effect savings in faculty time and energy?
 - g. To provide in-service training of teachers?
 - h. To improve the structure and content of the school curriculum?
 - i. To give the faculty some experience with television with minimal investment?
 - j. To acquaint the public with the school program?

If the need for television equipment is justified, then answers to the following questions should determine the appropriate kind of equipment to be installed.

2. What kind of television may meet the identified needs?
 - a. Use of instructional programs from local educational television stations?
 - b. A simple television system with which to experiment in a few classes?

- c. A basic system that can be expanded in size and scope as the instructional television program is developed and new applications are defined?
 - d. A system capable of providing television instruction in or for one or two schools, or for all the schools in a school district?
 - e. A system capable of providing observation experiences from remote locations for specified purposes?
 - f. A broadcast station facility for open-circuit telecasting to a specific area for instructional purposes.
3. What are the budget considerations involved?
- a. How much money is available to spend on instructional television?
 - b. What space is available where television equipment could be installed, maintained, and utilized? What new additional space will be needed? What will it cost?
 - c. What professional personnel are available or needed to guide and support the television program for the defined local instructional objectives?
 - d. What technical personnel and resources will be necessary to support the instructional television program next year and in five years, if long-range goals are to be met? What will they cost?

When the questions above were answered, consideration was then given to the type of television system to be installed: A closed-circuit television (CCTV) system was decided upon. Closed-circuit television (CCTV) may be defined as a private communications system, providing simultaneous transmission of picture and sound.

7.5 CONCLUSION: THE FUTURE FOR EDUCATIONAL TELEVISION

In conclusion, it is possible to make some estimates about the future and long-term potential of educational television.

(a) Educational television will become a basic part of our training process

It can be expected that, within the next few years, the television receiver will become a standard part of classrooms and lecture theatres. Television will be used in many ways and in conjunction with many teaching tools. The type and amount of

television will vary according to the type of material being presented, the environment in which the teaching takes place, the alternate techniques available (programmed instruction, teaching machines, or team teaching), and the abilities and attitudes of the students.

- (b) The single-room television camera will become an integral part of the laboratory and large lecture hall and will be handled in much the same way as other audio-visual devices.

Serving as an enlarger and transmitter of both two - and three - dimensional materials, easily operated by the instructor, and priced within the limits of most budgets, the single-room television camera will meet specific needs in many classrooms. It will be used within the laboratory to eliminate the need for repeated demonstrations, allowing the teacher to use class-time more effectively. It will be used as a teaching tool along with the filmstrip, overhead and film projector, the tape recorder and phonograph within the large lecture hall in a wide variety of ways and in many subject areas.

- (c) The use of community or educational television stations will increase dynamically

With expected government support it can be anticipated that an overwhelming majority of school districts will be within the range of educational or community television stations. The number of school districts using programmes of the type offered will increase substantially over this period. It can be anticipated that there will be an increasing emphasis on evening programming for adult education and on homework assignments for day students.

- (d) The quality of educational programming will improve

The need for high-quality programming will necessitate a weeding-out process to eliminate unsatisfactory productions. Superior programmes will be made available by quality production houses, and possibly, by the South African Broadcasting Corporation (SABC).

- (e) Video tape will play an increasingly important and basic role in educational television

As the cost of equipment and tape decreases there will be a multifold increase in the use of video tape. Portable cameras and video tape recorders will open up new areas in the use of community resources. The recorder's immediate playback potential will have many applications in those training subjects where self-evaluation device by the learner is desired. The use of video tape as a self-evaluation device for trainer in-service training is obvious.

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CHAPTER 8

A TRAINING PROGRAMME FOR BLACKS

8.1 INTRODUCTION

In the establishment of a sound training programme for Blacks, the interests of labour and management should be close, if not identical. The values to a company of skilled and knowledgeable employees are many. These values will be discussed in the following sections. Adequate training is equally desirable for the Black employee. A learned skill is an asset by the complete elimination of the need for that skill. It is valuable to the Black employee in terms of better security and greater opportunity for advancement within or without the present organization. The untrained job applicant should be as much interested in a company's training programme as in the starting wage, for it often happens that the lower-paying jobs offer a greater training opportunity and may well prove to be a sounder choice in the long run. Training is one of the areas of management in which employer and employee have a mutual interest.

8.2 THE BLACK MIGRANT WORKER

Before outlining the training programme, it is essential that the training target group be demarkated:

Migrant labour is nothing new in South Africa. One hundred years ago, a decade before the birth of the Witwatersrand gold mining industry, generations before the evolution of the policy of Apartheid, the system whereby men oscillate between their home in some rural area and their place of work was already firmly established as part of the country's traditional way of life. During the 1870's, if not before, farmers in the Western Cape solved the perennial problem of labour shortage -- which in previous centuries had been alleviated through the importation of slaves -- by recruiting workers from wherever they could be found. Agents were sent to the Ciskei, the Transkei, to Mozambique and South West Africa, even as far afield as Cornwall and Germany, to bring back workers for the vineyards and wheatfields of the small colony. In general, men were brought to the farms (and docks) on a contract basis. But many of them, on the expiry of their contract, which varied in length from 2 to 5 years, chose to settle where they worked and so ceased to oscillate between a

distant home and a place of work. Others, of course, having saved some money and seen the sights went back where they had come from and did not return.⁽¹⁾

The extent of migrant labour in the industrial centre of Johannesburg is pertinent, for the largest manufacturing unit of Epic Oil Mills is situated in that city. According to statistics furnished by the Non-European Affairs Department of the City of Johannesburg, the Black population including women and children, of the municipality in June, 1971, was 736 000, including the 12 985 men housed by three gold mines still operating in the area⁽²⁾. Excluding, for the moment, all domestic servants living on their employers' premises and excluding lodgers living with Black families in Soweto and elsewhere, an analysis of the Black population housed in Johannesburg in June, 1971, shows that the number of migrants housed on a single basis in Johannesburg was no less than 100 000 persons⁽³⁾, the vast majority of whom were men who found their way to the labour market to sell their working powers and labour.

Given these figures, cognizance of the migrant labour system must be taken when considering the development of a personnel and training model. In his analysis of the consequence of the migrant labour system, Hobart Houghton stresses the fact that:

The general management of African factory labour is slipshod and inefficient in the extreme⁽⁴⁾.

Houghton⁽⁵⁾ argues that this is because most employers regard their Black workers as not worth taking the trouble over.

They come and go and when one leaves, there is another to take his place⁽⁶⁾.

Since these words were written in 1964, there has been some improvement in the management of labour, and it is probably true to say that management in 1975, is more aware of the need for improvement than it was in the previous decade. (This training model being testimony of a new management philosophy).

8.3 A TRAINING MODEL

In South Africa's particular circumstances, there exists an urgent need for a suitable model to outline the better utilisation of Black labour. Such a model should meet two requirements in particular:

- (a) It must bring home to the Black in the course of his day's work the operation of cause and effect as it relates to him personally; and,
- (b) the approach of the model, must be geared to employ and develop the Black worker's aptitudes, skills and abilities to the greatest extent so that a good and steady increasing wage can be paid for the labour output.

The model outlined in figure 11 was designed to meet the above requirements, whilst keeping to the ethos of effective, albeit basic, operation of personnel administration and training. The model outlines a series of objectives with built-in criteria for evaluation. These objectives form a hierarchy and are closely related to one another. The model has the advantage of allowing evaluation of training at all company levels against pre-determined objectives. Furthermore, it enables an evaluation of the contribution of personnel administration to the training function.

In establishing the hierarchy of training objectives at Epic Oil Mills, the organizational goals set for Black workers were;

- (a) greater productivity; and,
- (b) company orientation.

(The measurement of all these goals and objectives is covered in Chapter 12). An analysis of the hierarchy of training objectives led to the investigation of organization problems and causes: In essence, two problems existed;

- (i) no formal induction programme for migrant Black workers; and,

HIERARCHY OF TRAINING OBJECTIVES

ANALYSIS OF OBJECTIVES

Organizations goals

HOW MEASURED?

Desired performance objectives

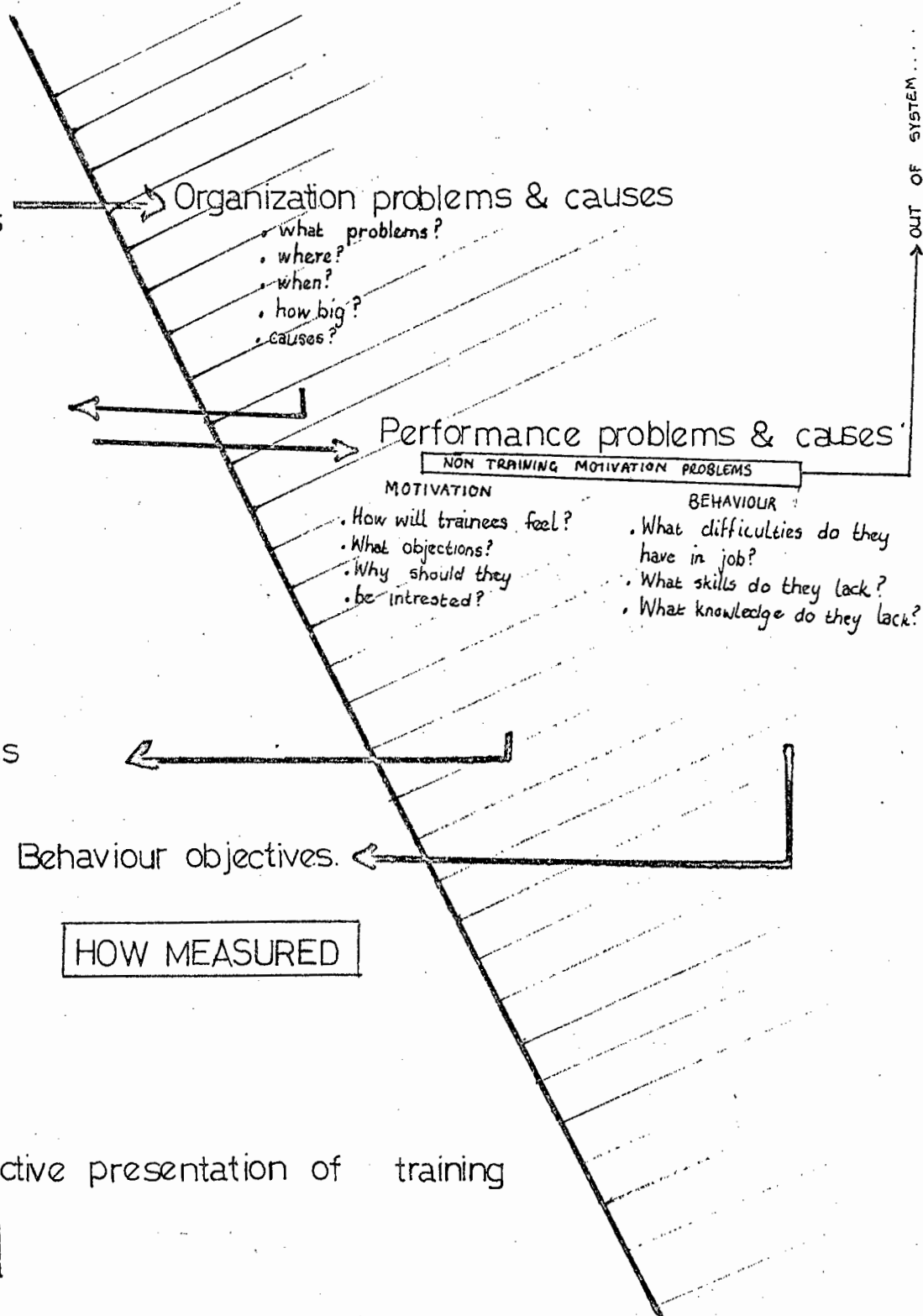
HOW MEASURED?

Motivation objectives

HOW MEASURED?

Objectives for effective presentation of training

HOW MEASURED?



AN INTEGRATED MODEL FOR EVALUATION OF TRAINING

Figure 11: A Training Model for Blacks

- (ii) poor supervision in that, the appointed White supervisors were being totally engaged in the technical operation of the plant.

The desired performance objectives were therefore, the establishment of an induction practice, and the training of Black supervisors. Both these performance objectives were classified training and did not (therefore) "leave" the model as non-training or motivational problems. Each objective was then sub-classified into motivational and behavioural problems and causes. The questions posed under these two headings were used as guide-lines for the effective presentation of the training.

In the case of the induction practice, an analysis of performance problems and causes led the Personnel Officer to the conclusion that educational television would be an excellent medium for the effective prevention of induction of Black migrant workers. Until recently, it was widely accepted that a medium of communication was morally and emotionally neutral. In the early days of radio, and, to some extent, in the early days of television, it was widely felt that the medium was only as good or as bad as the content it carried. However, in recent years, research and experience has shown that this is not true. The medium or carrier conditions the information conveyed by it. The medium of television itself involves personal and educational changes for the viewers, independently of the content of the programme. Television has its own imperatives and creates its own environments, which has relevance in the induction practice. Another noteworthy aspect of television is that it is almost always associated with some form of innovation. In the past it has successively been associated with innovations in entertainment, innovations in politics, innovations in social habits, and more recently, innovations in education. With this long history of innovation behind it, the "halo effect" of television -- that is to say, the effect derived from the expectation that the medium will bring novelty -- must always be borne in mind when a decision is made to use it in the training and induction situation.

Finally, television as a medium concentrates attention upon a vital aspect of human experience related to training and induction. The first and most important fact that is known is that television can have contradictory effects upon an audience. In treating certain material, television can be an extremely involving medium, drawing the viewer to a very close relationship with the person presenting the programme or with the material presented. MacLuhan⁽⁷⁾ has pointed this out, while cautioning that involvement does not imply understanding. Many governments have recognised (and realised) the potential of television as a propaganda medium. On the other hand, there is no doubt that television can create a sense of impersonality if the material being shown falls beyond the range of the personal experience or projected personal experience of the viewing audience. It is this second factor which is perhaps more important in the training and induction situation. Here television is used to inculcate in employees certain skills and certain attitudes, which is felt will be beneficial both to the employees and to the companies. The inculcation of attitudes is very pertinent to the induction practice. Prior to the establishment of the induction practice at Epic Oil Mills, an analysis of such practice was carried out by the Personnel Officer.

8.4 A SOCIOLOGICAL ANALYSIS OF THE INDUCTION PRACTICE

Induction of new employees is generally held to be of vital importance in reducing labour turnover during the first few weeks of employment. In this section some widely held views of induction are surveyed in conjunction with the actual problems of adjustment faced by the stranger to any organization, to conclude that there is a need to tailor induction programmes more closely to these problems of individual adjustment than is often the case.

The problem of high labour turnover among new recruits is well known to most personnel managers. A merely cursory analysis of recruitment and turnover statistics is usually sufficient to reveal that the largest proportion of those leaving the organization have service of six months or less.

Research carried out in the food industry, during 1966, and 1967, revealed that the proportion of new starters who left within the first 13 weeks of their employment varied from 41 to 58%, and this was true of all companies regardless of whether or not their overall annual labour turnover was high or low⁽⁸⁾. There is good reason to believe that this pattern would also be found to exist over a wide range of industries and occupations.

The reasons for this phenomenon are probably equally well known, at least on a commonsense level, but there is less evidence to suggest that many personnel specialists fully appreciate the problems of social adjustment to be faced by the new starter. Many current texts aimed at practising and student personnel managers appear merely to gloss over the problems posed by the actual disease and, taking the symptoms as given, proceed directly to the prescription of treatment. As early as 1948, Heron⁽⁹⁾ set out at some length to discuss the difficulties encountered in adjusting to a new environment, but his perception of these difficulties, together with his suggestions for overcoming them, did not penetrate far beyond a statement of the problem. The qualities and status of 'strangerhood' were not analysed. As for more recent texts, again, the problems are often stated in a vague and general sense but seldom analysed in depth. Grant and Smith suggest, for example, that the new employee experiences 'insecurity and lack of ease in the new environment'⁽¹⁰⁾. An induction scheme should help to overcome these difficulties and 'also provide him or her with all the information about the Company which he or she may require -- the rules and regulations, the privileges and benefits'. Cuming attributes the high proportion of labour turnover during the early weeks of employment to the fact that no attempt has been made to help the newcomer feel at home: 'he thus becomes unhappy and leaves to find another job in a more congenial atmosphere', presumably repeating this process until he is made to feel 'at home'.

Throughout the admittedly scant literature on this topic, there is some mention of the sense of strangeness suffered by the new recruit but much more emphasis on the need to develop in him or her

a sense of belonging to the organization; of membership of the team. It is this second factor which most induction programmes seem designed to achieve. Induction can thus be seen, in effect, as 'an introduction to the organization's purpose, policies and practices, seeking to establish the right links between each individual, his work and his outside life in the community by explaining:

- (a) his place in the organization,
- (b) the relationship between his work and the finished products,
- (c) the relationship of his firm to the industry and the world outside,
- (d) how he can put his point of view to management⁽¹¹⁾.

This author then goes on to outline a 'typical' induction programme which, includes such items as an introductory talk on the history of the firm, possibly expanded by films showing its activities and the flow of production right through to marketing the finished article or service; a talk on the firm's personalities and organization chart; talks about the social and welfare facilities available and a conducted tour of the plant. To stress the integrative nature of such a programme, Cuming notes that 'it is essential that directors and other senior executives are involved in the talks ... this adds prestige to the occasion and gives the newcomer a sense of importance'⁽¹²⁾. Furthermore, 'office as well as production workers should be included and the relationships between different grades of staff made clear, so that at least they start off by feeling members of one team'⁽¹³⁾.

At this level, much of the programme as outlined is in the nature of a public relations exercise seemingly designed to disseminate a unitary managerial ideology. Torrington, indeed, goes so far as to note that, because of the new employee's general disorientation, management is presented with a unique, never to be repeated, opportunity to 'influence' him⁽¹⁴⁾. The work of Fox has, however, thrown considerable doubt on the validity of this kind of team analogy where there is a real and fundamental divergence of interests between not only workers and management but also between workers and other workers⁽¹⁵⁾.

Much of the general background information suggested might have been better given to the individual before he committed himself as an employee rather than afterwards, but it will in any event have to be supplemented to provide more domestic details of greater value to him, concerning rates and methods of payment; bonus and profit sharing schemes; sickness and pension schemes; departmental rules about timekeeping, breaks, accident prevention and emergency procedures; how to channel grievances; policy regarding joint consultation and trade union membership; whom to approach with private domestic matters and so on. This is a formidable data bank for the man still reeling from the magnitude of the step he has taken.

Much of the information suggested will be essential. A great deal of it may well be of some value in itself; but the question to be asked is whether or not it is suggested as a result of a full understanding of the problems actually faced by the new starter and the means whereby he orients himself to his environment. With a few laudable exceptions, the schemata of conventional induction programmes pre-suppose that the individual's main difficulty lies in orienting himself to the organization, an inanimate 'thing' made up of impersonal rules and regulations, impersonally structured and impersonally applied, and they seek to invest this thing with a personality. This view ignores the over-riding and salient fact that any organization is no more or less than a complex of dynamic social relationship with differing interests and orientations. The community is not a homogeneous whole but a plurality of social groupings into one of which the newcomer must fit.

Marks, in the introduction to his excellent short work on induction goes some way towards pointing out some of the problems associated with the 'fitting' of an individual to an organizational environment and the culture shock which is likely to face him, but the most penetrating analysis of strangerhood is given by the Austrian/American phenomenologist Alfred Schutz. In his paper 'The Stranger',⁽¹⁶⁾ Schutz is primarily concerned with the difficulties facing an immigrant in approaching his host community, but the

insights offered are just as relevant to an analysis of a pupil entering a new school or a recently engaged employee crossing the threshold of his new workplace.

The individual actor is not, like the social scientist or personnel manager, a disinterested observer of the social world of the organization. It is experienced primarily as a field of his actual and possible acts and only secondarily, if at all, as an object of his thought. Insofar as he is interested in actual knowledge of his social world he organizes this not in terms of any abstract, theoretical system but in terms of its relevance to his present and future actions. We are all of us at the centre of our social world and dominated by pragmatism, so our actor is likely to single out those elements which may serve as means and ends to further his own interests and help him overcome obstacles in achieving them.

This emphasis of pragmatism does not imply selfishness or even materialism, for a man's interests may be wholly or partly altruistic as, for example, when he is concerned to 'do the best for his wife and family,' but it does imply that complete knowledge is not required even if it is available. What is looked for is knowledge graduated in accordance with its relevance to our present and future actions. Schutz⁽¹⁷⁾ uses the analogy of the contour lines on a topographical map to demonstrate the wide variations in the scope and density of knowledge relevant to an individual's interests and acts. From this it can be seen that a man, thinking and acting in his social world, neither possesses nor requires homogeneous knowledge and that which he does possess is at once incoherent, only partially clear and inconsistent.

Incoherence is characteristic because as human beings our plans of life, work and leisure are only loosely organized into static and readily definable systems. As situations and individual experiences change, so does the hierarchy of our plans, the selection of objects of interest and consequently the degree of knowledge required. Man is not a static object in a static world but a dynamic being placed in a continuously dialectical relationship with his environment.

Notwithstanding the fact that knowledge is incoherent, unclear and inconsistent it does take on, for individuals as individuals and as members of social groups, the characteristics of sufficient coherence, clarity and consistency to give anyone a reasonable chance of understanding and being understood within their own social world. It constitutes a series of tried and trusted recipes for interpreting the world and for handling events, things and men in such a way that the best possible results can be achieved in every situation, avoiding undesirable consequences yet obviating the necessity to evaluate and interpret each situation in the light of every conceivable 'fact'. These recipes act, on the one hand, as a basis for action (whoever wants to achieve certain results should proceed in such a way ...) and on the other, as a scheme of interpretation (whoever acts in such and such a way is presumed to intend certain anticipated results). This routinization of thought into 'thinking as usual' is successfully maintained as long as certain basic assumptions, about the stability of social life (as defined by the individual), the reliability of handed-down knowledge and values and their continuing acceptance by our fellow men, hold good. It accounts for much of the apparent rigidity of attitudes held by managers and workers about each other but, rather than an attempt to set the world in a concrete mould, it represents an essential effort to presume some stability until events prove otherwise. The welter of information available in modern industrial societies is too vast and too complex for us to be able to sift and evaluate all of the data in each individual case before arriving at a decision.

If, however, one or more of our assumptions fails to stand up, then the recipe becomes unworkable and this produces a crisis in the individual which throws his system of personal relevances into chaos. The 'stranger', or inductee, is a person faced with just such a crisis and finds himself in the position of having to place in question nearly everything which seems to be taken for granted by members of the group he is thrown into. As Marks points out, he finds himself joining a group of people who all appear to know how to behave towards one another in accordance with some mysterious code but, in addition to learning something of this code, he is

expected to contribute to some shared task in which the other group members perform their roles with ease and confidence⁽¹⁸⁾.

From the point of view of the approached group he is a man without a history. He may well be willing to share their present and future and will almost certainly modify both, but he is excluded from all first hand knowledge of their collective past.

The newcomer has first to define the situation in which he finds himself, so he cannot stop short at an approximate view of the cultural pattern he is faced with, trusting in a vague and pre-determined knowledge about its structure, but needs explicit knowledge of its elements, not only their 'what' but also their 'why'. For him this pattern is not the natural and appropriate way of life, offering the best of all solutions, but a labyrinth in which he has lost all sense of direction and purpose.

If we try to keep in mind the interrelationship between relevance on one hand and typicality on the other, it follows that the stranger will see his new colleagues not as typical performers of typical acts but as individuals. At the same time, he is inclined to try to systematize individual traits into typical ones. The social world he thus constructs makes it virtually impossible for him to integrate personal types into any coherent picture of the approached group and he is unable to rely on his expectations of their responses. Even less is he likely to adopt those typical and anonymous attitudes which they adopt towards one another. From this disability stems his lack of feeling for social distance (over-friendliness alternating with withdrawal), his hesitance, his uncertainty, his nostalgia ('when I was working at X we used to ...') and his generally gauche behaviour in every situation which seems so simple and uncomplicated to those who rely largely on the efficiency of their tried and trusted recipes. In other words, the cultural pattern of the approached group is for the newcomer, not a stable and handy instrument for the rapid and simple solution of problems, but a vast and complex problem in itself.

The process of acculturation is far from simple. The stranger cannot learn the new pattern like a piece of prose but has to internal=

ize it at many different levels of meaning and relevance, each one more complex than the last. Similar problems are faced by the student of a foreign language. Here, the process of learning the symbols and grammatical rules, both of which can be 'translated' into the mother tongue, are reasonably straightforward. In order to understand, however, it is necessary to learn the fringes of meaning which attach to the context in which words and phrases are placed, the wide range of connotations which surround many words and the peculiar dialects, idioms, verbal shorthands and even technical jargons which are the property of specific social groups. The language is not learned until the student has mastered the ability to think in it and, moreover, to think and understand in relation to the social groups with whom he is in contact.

The stranger has not only to learn the language of the approached group in the quite literal sense but also the language of behaviour within it. All of this serves to highlight that the problems of the new employee lie not specifically in understanding the organization as such, but in understanding his new group's interpretation of it and their orientation towards it. This is not to say that some understanding of the former will not assist in conquering the latter but it does follow that it is the organization, as seen through the eyes of the approached group which will form the basis of the stranger's new social environment and hence the true field of his induction. Clearly there is little that can be offered by way of formal training to satisfy the requirement for this kind of knowledge but this makes it all the more important that the training which is given formally is immediately relevant to the inductee and can be readily converted as part of his scheme of interpretation. Without appreciation of these points, there is a danger, realized in many comprehensive programmes, that the process of induction forms part of a philanthropic/human-relations ideology based on unverified ideas of what the employee 'needs' to equip him as an organization member. This is manifested in a tendency toward too much centralization and too much standardization.

As organizations grow larger and more complex, the volume of information deemed necessary to enable the individual to fit in as a member of the 'team' grows in proportion. Because of this it becomes less and less possible for that information to be disseminated by those closest to the employee. It thus follows that much of the induction is carried out by members of a centralized department in association with specialists. Too much of a tendency in this direction can make the induction programme an overwhelming affair for the inductee and has the added disadvantage that it separates him for too long and often unnecessarily from those who are going to be truly significant to him.

To justify centralization the programme is often standardized to include a wide range of information that is generally applicable to employees of many different grades and categories but without due regard to the relevance and necessity of this information for the employees concerned.

A too complex and all embracing induction programme will prove to be not only expensive but also self-defeating. The new employee is anxious to prove himself to his colleagues in his new work role as quickly as possible and, at the same time, to get to grips with their cultural pattern. With this in mind, the initial induction programme should be designed to satisfy two basic criteria:

1. what information is immediately relevant to the new employee, having regard to the job he has to do and the group he is to join?
2. which of this information is it essential for him to have so that he can protect his rights, conduct himself and carry out his duties without infringing the firm's rules?

The crucial factor is the isolation of what is relevant as opposed to that which is of academic interest and what is essential as opposed to being merely desirable. The adoption of these criteria will enable the induction to be tailored quite closely to the immediate requirements of the individual, but it is clear that most

personnel or training specialists are not close enough to the large number of groups concerned to be able to isolate all of this information unaided. Neither will they be aware of the wide variations in cultural pattern which the groups exhibit and the extent to which they differ. The key elements are clearly the groups themselves and it is essential for this reason that the supervisor, preferably in conjunction with an employee of the group concerned, be brought in at the planning stage.

Evaluation of any personnel practice is a vital factor in ensuring its success but in the case of induction this cannot be achieved by a simple comparison of the turnover statistics alone. To find out just how effective the programme is in achieving its objective it is essential to ask the people who have undergone and participated in such training what they thought valuable and what they found to be useless or irrelevant. Questioning of new employees can easily be undertaken at the follow-up stages, but attempts should also be made to sound out, from time to time, the opinions of well established employees who have settled in their jobs and have a vital part to play in the induction process. They are often better equipped to assess the value of the training they received and may be asked to pass on. (use of the attitude survey as discussed in Chapter 10, was considered a "good" evaluation tool of The Induction Practice).

8.5 AN INDUCTION PROGRAMME

Following up the sociological analysis of the induction practice, an induction programme was initiated at Epic Oil Mills. The programme titled "Welcome to the New Man" was documented in a personnel guide to management on induction. (refer to appendix G).

Use was made of an educational television programme to be used in conjunction with the training programme. A rationale for such an educational television programme could be outlined as follows.

- (a) The programme was dramatically acted by Black actors so that the inductee would be able to diminish impersonality and, by viewing the programme have personal interests furthered.

- (b) The programme designed to meet cultural standards of Blacks is able to further the induction role of acculturation.
- (c) Using a scenario easily understood by the Black migrant worker, the programme lends itself to a scheme of interpretation on the part of the inductee.
- (d) The programme was designed to select the important areas of company philosophy so that overburdening of the inductee was avoided.
- (e) The use of an educational television programme ensured a standardized approach to induction training; each new inductee received the "same message".

8.6 THE TRAINING OF BLACK SUPERVISORS

The rationale underlying the training of Black supervisors at Epic Oil Mills was twofold: Firstly, White technicians had to be released from the supervisory practice per se of operating a chemical plant. Secondly, definite career-pathing for Black workers was an inherent part of the management philosophy prevalent at Epic Oil Mills.

The Black worker's progress towards employment spheres formerly regarded as the White man's prerogative naturally calls for opportunities for much advancement. The existence of such opportunities will also serve to encourage the Black worker to obtain the appropriate qualifications. But, above all, it presupposes that suitably trained Blacks will be available to fill the positions and the job opportunities created by the "sanction effect" of the economic growth. The availability of enough suitably qualified Blacks to fill these positions is pertinent -- the supervisory training programme was established to train incumbents for these positions.

8.6.1 PROGRAMME OBJECTIVE

To assist Black supervisors to obtain a high level of efficiency by giving knowledge of the job planning and job

instruction techniques, and to inculcate an awareness of the importance of the human being as a factor of production; to develop skill in applying these techniques; and to get appreciation of the advantage of such training.

8.6.2 PROGRAMME OUTLINE

The programme was divided into three sections; job relations, job instruction and job methods.

- (a) Job relations outlined the everyday human relations that affect the work of supervisors. In the main, this section was concerned with relations between supervisors, and the people whose work the supervisor will direct. Four distinct phases of the programme are identified.
 - (i) The subject of people and the factors that make them different one from another.
 - (ii) Examination of the ways in which a supervisor may prevent many human relations problems from arising.
 - (iii) Decision-making procedures on ways of dealing with problems that may arise despite all efforts to prevent them.
 - (iv) Practical demonstrations (case-studies) on the ways of dealing with problems that arise involving supervisors and work people.
- (b) Job instruction was a practical course dealing in essence with instructing on the job. Supervisors were trained in the following facets;
 - (i) an objective overview of instructing in the supervisory job;
 - (ii) establishment of the aim in passing on information or giving instruction;
 - (iii) analysis of common methods of instruction, determining values and limitations; and,

- (iv) putting instruction to practical test (case studies) using different examples of instructing or giving information.
- (c) Job methods training for supervisors is based upon the concept that the supervisor is a key person in the development of improved methods. Even where improvements emanate from a special department, the supervisor still plays an important part in the introduction of job methods and the ultimate success of these methods. The objectives of this training are;
- (i) To help the supervisor make better use of the resources available;
 - (ii) to help supervisors co-operate on a basis of understanding, with work study specialists; and,
 - (iii) to help supervisors play an active and contributory part in the development of better methods within given sections.

8.6.3 PROGRAMME ORGANISATION

The programme was run by a Black training officer who was trained by the Personnel Officer to meet the objectives of the programme. The medium of instruction to the Black supervisors was Zulu. The job relations, job instruction and job methods courses were designed to run for ten hours each; consisting of five, two-hour sessions. Morning sessions were preferred, from 8.30 a.m. to 1 p.m. In planning courses a number of factors had to be considered -- shift work, staggered hours, pressure of work, interruptions to normal production and the problem of assembling participants.

8.6.4 NOMINATION OF PARTICIPANTS

It was production management who decided which Black workers should be sent on the programme. Recommendations were

received from production management, which were then processed by the Personnel Department.

8.6.5 SUPPORT

There is no doubt that the success of the programme depended largely on the support given by top management, either directly through interest or assistance or indirectly through follow-up of the programme.

8.6.6 DIRECT RESULTS

It was very difficult to identify and assess direct effects of the programme (Indirectly, results are reflected in the attitude survey as discussed in Chapter 10). However, certain trends are apparent.

- (a) Acceptance: The acceptance-factor amongst the Black labour force was "excellent". Training and development were given tangible foundation by the programme.
- (b) Specific application: There were many human and personal problems that were tackled, especially by the job relations procedure. Absenteeism, time keeping, slackness, complaints about working conditions and dismissals for lapses in factory rules, particularly with regard to safety are some direct areas of specific application of the programme.
- (c) Responsibility: Perhaps the most encouraging area was that of increased responsibility. It was not always clear to the Black worker what exactly was his job responsibility. The programme outlined this job responsibility factor, and increased the ability to assume more job responsibility.

8.7 CONCLUSION

Training for increased productivity, and for the advancement and better utilisation of the Black worker is a tangible goal for any

organisation operating within the present South African economic framework.

The training requirements, the training system and the training syllabus will depend on the type of work done by the organisation, the requirements for individual jobs and the available human resources. These requirements must be considered and a proper training system suited to the different jobs must be developed and applied dynamically. It is essential that a detailed training system be formulated; that the training be undertaken by suitably qualified persons; and that as many recruits as possible be placed in jobs in which productive work is done during training. Only in this manner, will South African enterprise be able to raise the most important of resources -- the people -- to a level of technological and managerial skill sufficient to give South Africa an advantage in the international economy.

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CHAPTER 9

A TRAINING PROGRAMME FOR WHITES

9.1 INTRODUCTION

A fundamental aim of the training programme for Whites is the optimal utilisation of human resources, with the emphasis primarily on the optimal development and utilisation of the available talent in the leader group. This group is, in the final analysis, the one which has the largest and most important short-term contribution to make to increasing both productivity and the economic growth rate.

This approach also entails that greater and more attractive opportunities will be created for White workers -- the sector of the population from which the leader group is largely drawn. The creation of these opportunities is a prerequisite for the elimination of some of the conflict situations in our multi-racial society.

The optimal development and utilisation of the available talent in the leader group requires first of all the motivation of the employees as individuals and as a group, and second the effective training of this talent.

9.2 INTRODUCTION OF THE THREE-TIER PATTERN OF TRAINING

The optimal development and utilisation of the available talent in the leader group requires the application of the philosophy and principles of the three-tier pattern of training⁽¹⁾. According to this broad pattern;

- (a) personnel at top management level must possess outstanding managerial skill, a high degree of intellectual ability and a gift for conceptualising new ideals and ideas, mature insight and judgement, and zeal;

- (b) personnel at intermediate levels must possess creative intellectual ability, theoretical training and advanced technical knowledge and managerial skill; and,
- (c) personnel in positions in the spectrum of the lowest to intermediate levels of the hierarchy must possess a sound grounding in practical skills enabling this level to apply specific accounting, cost accounting and commercial methods in respect of largely static frameworks and systems and to apply elementary principles of management.

The implication of this pattern for the utilisation of human resources apply in virtually every facet of South African Society, and had applicability at Epic Oil Mills.

9.2.1 JOB DESCRIPTION

The first step in the tangible introduction of the three-tier pattern of training is that of job description which in essence, consists of two phases;

- (a) the data gathering phase; and,
- (b) the evaluation stage.

The data gathering phase as outlined in Chapter 4 is simply an orderly and systematic study of the characteristics of a specific position. The job content is therefore analysed and described in order to generate comparable information (in respect of different positions) for the evaluation phase. The evaluation phase was undertaken by the management committee of Epic Oil Mills rating the job inventories on a rating scale according to which the relative complexity levels of tasks or positions are determined. In the light of the total background gleamed from this pattern of investigation, the skills required for each position in the Epic oil Mills hierarchy in terms of

- (i) managerial
- (ii) intermediate and

(iii) lowest to intermediate skills and the complexity level at which these skills are to be exercised, were determined. This investigation revealed the basic qualifications, training, background and experience which the holder of each specific position must have.

9.2.2 INVESTIGATING THE TASK CONTENT OF JOBS SPECIFIC TO THE TIERS

In the progressive enterprise, which Epic Oil Mills aspired to, dynamic conditions will prevail in respect of market demand, changing technology, expansion of production and production facilities, changing techniques and increasing productivity. In such an enterprise top management will confine its attention mainly to the continued prosperity, survival and growth of the enterprise. This the management committee of Epic Oil Mills accomplished by giving direction in the form of strategic long-term plans and policies, by motivating and activating the personnel, and in general by carrying out the management function efficiently.

With the continually changing technology, new methods, equipment, technology and processes which are being developed at an ever faster pace, the identification, evaluation, provision and installation of new production facilities and the evaluation and adoption or rejection of changed methods, techniques, equipment, materials and advanced technology designed to increase productivity are matters which are undertaken on the intermediate level of the company hierarchy.

Once the techniques, methods and facilities have been provided, the technical skill required of the personnel -- particularly those in the spectrum of the lowest to the intermediate levels of the hierarchy -- is limited to the specific production process, the specific techniques and equipment being used, and the operation and maintenance of the equipment. The technical skill necessary at this level

can accordingly be described as skill derived from familiarity with and experience of specific techniques and equipment.

In a population with a limited group, it is essential that persons with the necessary skills to occupy positions in the two top levels of the predominating skills pattern, should indeed be used in these positions and that their abilities should not be limited to, or wasted in performing tasks which are unnecessary or which in fact belong within the third level of the skills pattern.

The majority of positions in an industrial enterprise falls within the third level of the dominating skills pattern, where technical skill based on practical experience coupled with limited managerial skill are required.

Training and development and proper utilisation of personnel in accordance with an appropriate managerial approach present the possibility of easing the acute shortage of manpower at these levels or tiers and simultaneously reducing the work load on the personnel at the two upper levels.

9.3 TRAINING OF THE MANAGERIAL TIER

Training needs of this tier can be viewed from the standpoint of the individual manager or of the management organization⁽²⁾. This distinction can be important where conflicting programmes of action are called for in accomplishing development, and where a choice must be made in determining the relative emphasis to be given each set of training needs. At Epic Oil Mills, a training philosophy that development needs as viewed from the standpoint of the management team usually will be more inclusive than those viewed from the standpoint of the individual manager and will tend to include these individual needs, was adopted.

At Epic Oil Mills, a training programme was devised by the Personnel Officer in consultation with the Managing Director to provide development opportunities for the managerial tier of White employees.

Much of the programme was conducted by the Managing Director. The most readily usable opportunities for much development were considered those already available within the organization. These also are the opportunities most commonly overlooked in considering management training and development, since these opportunities are usually involved job performance of one type or another and have received less attention as purely development opportunities. These training opportunities probably are most practical and effective, and since they tend to provide for development through performance, and since they tend to involve less expense than do opportunities outside the organization. Furthermore, these training opportunities can be more specific to needs of development of the management team, since they involve development within the context of organization operations and philosophy. The opportunities available within the organization probably should be viewed as the core of development opportunities to be utilized at all times, while opportunities available outside the organization should be viewed as supplements available for specific needs which cannot be met by the organization.

(a) Delegation

The most commonly available and probably least effectively utilized opportunity for management training and development lies in the progressive delegation of responsibilities by superior managers. This opportunity for development of subordinate managers was used at Epic Oil Mills in every boss-subordinate relationship with the view to provide the challenge for development which are provided by the assignment of new responsibilities.

(b) Coaching

Most surveys of management-development practices of organizations indicate that job experience and coaching of subordinates are among the most common methods of management training and development⁽³⁾. "Coaching" refers to the daily guidance and help given by a manager in the development of subordinates.

In essence, coaching refers to development of the subordinate's knowledge and abilities as they relate to current responsibilities.

(c) Guided experience

The general term given to a host of approaches to team management development. It ranges from one extreme of informed consideration of the manager's potential and abilities in planning changes in assignment to another extreme of highly formalized job rotation, where the manager moves among jobs and departments on a very formal basis. At Epic Oil Mills, and under the guidance of the Managing Director, programmes of guided experience emphasized the importance of work experience in development and training of managers. Programmes of guided experience were then combined with coaching to develop certain knowledge and information as well as specific skills. Somewhat more formal programmes of guided experience were used in the various plans for job rotation. This programme was intended primarily to familiarize sales and engineering management trainees with various aspects of Epic Oil Mills. The trainees were routed through a number of departments and positions, primarily as an observer; the prime purpose of the exercise was to insure observation and study of Epic Oil Mills, rather than to develop specific managerial skills, which was then considered the next training step to be undertaken by coaching and delegation.

(d) Multiple Management ⁽⁴⁾

Multiple management at Epic Oil Mills was an attempt to provide managers with opportunities to study, observe, and experience the responsibilities of more advanced levels of the management organization. In one sense, it is a variation upon the understudy technique. It is more than this, however, as it provides simultaneous opportunities for a group of managers to understudy a broader expanse of responsibilities than is found in a single position. Under the guidance of the Managing

Director, project teams investigated respects of the business operation, reporting back to the Managing Director, only, in the final phase of the project. Working as members of a specialized project-team, managers became familiar with the nature of the operation of the entire organization as well as experiencing the problems encountered in more responsible positions.

9.4 TRAINING OF THE INTERMEDIATE TIER

At the intermediate level training in specific Epic Oil Mills operations was undertaken. To illustrate the pattern of training and development in regard to these principal activities, the example of the food technology division is chosen. In this case, it is clear that as a person progresses up the hierarchy, specific knowledge of food technology must be expanded and broaden to a specific knowledge of food technology. Selected individuals, from the ranks of the intermediate level, with the necessary intellectual ability received appropriate specialised technological and administrative training. This was done within the organization up to the level of second or third-line supervision. Lectures in the following subjects were conducted by the senior manager cited.

- (a) Chemical plant operation -- lectures to foremen and supervisors on an in-company basis by the Production Manager (Selby) and the Chief Chemist.
- (b) Quality control of all products of edible nature to foremen, supervisors and salesmen on an in-company basis by the Chief Chemist.
- (c) Product knowledge -- in-company lectures to salesmen by the Sales Director and the Technical Director.
- (d) Budget control -- in-company seminar, to all intermediate level employees, conducted by the Company Secretary.
- (e) Selling techniques -- a monthly lecture to salesmen, conducted by Sales Director, Sales Manager and Personnel Officer.

This type of training in the principal activities of Epic Oil Mills was considered adequate for persons whose intellectual ability does not permit progress to a higher tier within the organization, and will at the same time provide for and ensure that the intermediate level can be used to full capacity.

On the other hand, those selected individuals from the ranks of the intermediate level with an intellectual capacity sufficiently high to carry them higher in the organization, were at an early stage of their career at Epic Oil Mills given technical training at a university or technical college. This system of selection from the ranks of the organization for higher education had the advantage that the person sent to various courses can be selected with a view to intellectual ability and qualities of leadership. Furthermore, the fact that the candidate selected for such training and development will probably be more mature than the average student, and will, because of working experience, be able to absorb and appreciate the scientific and technological principles underlying the work situation more readily. A case at point was the training of a laboratory technician to the management level of Quality Controller, reporting at this latter level directly to the Managing Director.

The reasoning thus for this has been based on the overriding need to develop and utilise personnel already in the organization to the utmost of their ability and potential. This training of the intermediate level, coupled with the university/technical college training of selected personnel, led to individuals with advanced training becoming available for promotion within Epic Oil Mills.

9.5 TRAINING OF THE LOWEST INTERMEDIATE TIER

In this connection, the introduction of training and development at this level of the organization hierarchy, outlined the broad pattern of skills as an approach to the problem of shortage of skilled workers and foremen. It is pointed out that, in the broad sense, this new approach requires four kinds of individuals to do the work presently being done by the single artisan level.

- (a) Technologists on the production floor with the technical proficiency to decide, "what should be done".
- (b) The retention of traditional artisans in a limited number of posts in the maintenance undertaking of the factory.
- (c) Replacers of posts according to the instructions of the technologists.
- (d) Semi-skilled operators, whose sole function is machine-minding.

Many of the tasks which are presently being done by White artisans fall in the last two groups. Semi-skilled Black workers, with modern techniques, be trained within the span of a few weeks in the best methods of repetitive work for these specific jobs. The solution to the Republic's shortage of artisans must therefore be sought in the recognition of these facts, seen against the background of the vast opportunities for Whites in the foremen and leadership fields in a fast developing economy.

A broad approach in regard to the skills required, gave rise to the following approach being followed at Epic Oil Mills.

- (a) Acceptance of the fact that under South African conditions the technical aspects of the work of an artisan should be separated from the physical execution of the task, particularly in cases where a high degree of skill is not needed for this aspect.
- (b) This separation entails a shift in emphasis in regard to the necessary skills of the artisan. Technical and managerial skill on the part of the artisan, who in the new dispensation becomes a first-line supervisor, now assumes overriding importance.

Technical skill is required to a sufficient degree to be able to determine what has to be done and how it is to be done, while managerial skill enables the artisan to ensure that with proper

investigation, forecasting, planning, organising, commanding, co-ordinating and controlling, the highest possible productivity is achieved in the execution of the task by semi-skilled, specifically trained labour.

- (c) Retraining of the artisan to broaden his technical knowledge, but particularly training him to apply the principles of management as applicable at first-line supervisor level.
- (d) Training the Blacks involved to perform the specific physical tasks at a high level of efficiency under the supervision of the White artisan.

The productivity of an artisan with six or eight or even more trained aides will, considering the circumstances, be considerably higher than that of an artisan under the existing system. This adjustment at the same time creates more advanced employment opportunities for Blacks.

The qualities of leadership, intellectual ability, managerial, technical and subsidiary skills necessary for this range of positions suggest suitable promotion routes for skilled workers who possess these qualities and who are trained within the organization for promotion to these positions.

This example highlights an important aspect of the traditional pattern of job allocation in South Africa, viz. that the emphasis in respect of positions in the third level of the predominant pattern of skills usually falls only on the dynamics of management -- getting things done.

Under these circumstances, the White performs only part of the physical task, the major share being performed ineffectively by his Black workers. Enrichment of the White's job by the application of the principles of decentralised management and by bringing the required skills of personnel at all levels of the enterprise into context with the ability and skills of the available human resources,

has the following advantages when considering the organization from the lowest to the highest levels of the hierarchy:

- (a) The White man at the lower levels of the hierarchy can supervise a larger number of Blacks.
- (b) Training and development of the Black can be undertaken, particularly in order to enable him to perform the physical aspects of his tasks at a high level of proficiency.
- (c) Trained junior Black supervisors, responsible to Whites, can be used more effectively.
- (d) White jobs at the lower levels of the hierarchy are enriched by the addition of the mechanics of management as well as the control function, with opportunities for promotion being opened up.
- (e) When the processes described in this Section are implemented in the higher levels of the organization, the enlargement of the role of the subordinate leads to a change in the work of senior and top management, giving these executives the opportunity to concentrate on the problems of the development and growth of the organization.
- (f) It also means that technically and university trained personnel can be used in positions where they are able to make the greatest contribution.

At Epic Oil Mills, the training and development of this tier was accomplished on week-long, residential courses. An example of such a supervisory management school is documental as Appendix H.

9.6 CONCLUSION

The approach to the better utilisation of the leader group, as dealt with in this chapter, shows that this objective can be achieved only if an appropriate approach, philosophy and system

management as well as a suitable strategy and policy suited to the particular South African circumstances are applied to establish a framework of positions (tiers) which are structured in such a way that the White employee is able to apply his ability to the full and to develop and use his potential optimally in order to progress to positions in which he achieves the maximum degree of satisfaction and remuneration.

Given this framework, the optimal utilisation of human resources is brought about by careful selection, sound training and sympathetic understanding, supported by correct placement and fair promotion of the individual so that he can satisfy his personal goals and aspirations to the fullest extent possible.

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CHAPTER 10

R E S U L T S

10.1 INTRODUCTION

This chapter deals with the measurement of attitudes and morale, and includes summaries of the result of attitude surveys conducted at Epic Oil Mills. These illustrations point up the fact that individual employees within a given work situation differ in their attitude. Aside from obvious individual differences, however, these, and other surveys, quite clearly show differences in attitudes of groups of people in various work situations. Such group differences tie in with the implication of statements to the effect that the attitude of people are influenced in part by variables in the work situation.

It is then in order to ask what variables in the work situation contribute to the formation of employee attitudes. If one can gain some realistic answers to this question, it might then be possible to attempt to create those conditions which presumably contribute to favourable attitude.

Management has a growing concern in the creation of those conditions which presumably contribute to favourable attitude. This concern on the part of management can be attributed in part to a general trend toward greater recognition of social responsibilities by industry. In part it can also be attributed to the belief on the part of management that employees with favourable attitudes toward their company generally are "better" employees in some respect, such as being more productive, or having lower turnover rates.

Before considering some of the factors that affect attitude and morale, a discussion on the measurement of such attitude and morale is essential. Even before this discussion, however, it is necessary to crystalize some of the concepts that will be discussed.

10.2 THE MEANING OF TERMS

(a) Attitudes

The term attitude has various connotations; it will be used in the sense defined by Maier⁽¹⁾. He defines an attitude as a kind of mental set. It represents a predisposition to form certain opinions. To put it another way, it is a frame of reference that influences the individual's views or opinions on various topics, and that influences his behaviour.

Attitudes are formed through experience, which means that they are learned. Once a person has developed a particular attitude, it may be difficult for him to determine how he acquired it. In fact, an individual may not be consciously aware of his own fundamental attitudes. Whether a person's attitudes are based on rational considerations and factual information, or whether they have a strong emotional bias, has little bearing on the effect of the attitudes on the person's thinking or behaviour. In either case the factor that affects behaviour is the attitude, not the consideration of whether it is or is not a rational attitude.

Although the attitudes of people tend to be relatively stable, they can be modified, at least to some degree. Since they can be changed, it is more fruitful to measure them than would be the case if they were firmly fixed, once and for all.

(b) Opinions

An opinion, on the other hand, is an expression of an evaluative judgment or point of view regarding a specific topic or subject. Thus, an attitude is somewhat generalized (such as liking or not liking a person's supervisor), whereas an opinion typically is an interpretation regarding a specific matter (such as saying that the boss plays favourites in granting overtime). Opinions, however, typically are influenced by the more generalized attitude. The facts or observations within an individual's experiences are interpreted in the

light of his attitudes. Thus, if a foreman calls the attention of his work group to the fact that some of the safety rules have been violated, one person (who has an "unfavourable" attitude toward the foreman) might later express the opinion to one of his buddies that the foreman is "-- just picking on us"; another person (who has a "favourable" attitude toward the foreman) might later express the opinion that the foreman is simply "-- trying to keep us from getting our fingers cut off."

(c) Morale

Whereas attitudes and opinions are characteristic of individuals, the term morale generally has an implication of group reactions. In other words, the morale of a group depends on the interactions among individuals in the group, such as a football team, a military unit, or a work group. It is akin to the common notion of team spirit.

10.3 MEASUREMENT OF ATTITUDES

Attitudes, opinions, and morale cannot be weighed on a scale, like a pound of butter, nor measured with a rule, like a strip of carpet. Yet, though they are intangible, they can be measured. Thorndike⁽²⁾ long ago pointed out that whatever exists, exists in some amount, and whatever exists in some amount can be measured (though this is sometimes admittedly difficult). Certainly differences in employee attitudes do exist, and, further, they can have implications for the effectiveness of the individuals within an organization, and for the organization as a whole. The morale of the people within a group, for example, can make or break a business enterprise.

There are various ways in which it is possible for supervisors and managers to get some inkling of the attitudes and opinions of individuals and of the morale of a group. Some of these methods are very informal and unsystematic, such as interpreting chance remarks of individuals, the behaviour of individuals and work groups, and the reported "feelings" of supervisors. The lack of systematic measurement with such methods, however, leaves much to be desired.

It should be added, nevertheless, that such clues should not be completely discounted. A sensitive foreman, for example, frequently can get a "feel" with respect to whether the morale of his group is high or low, even though he cannot say how high or low.

Another method of getting some inkling about employee morale is by analyzing changes in such factors as turnover rate, absenteeism and production level. These clues, however, are at best only indirect, and they can also be influenced by factors other than morale.

For many purposes it is desirable to obtain some more adequate, and direct, measure of attitudes, opinions, and morale. Various methods have been developed for doing this, some of these consisting of questionnaires which are filled out anonymously by employees.

The specific questions of typical attitude scales may call for an individual to give his "opinion" about some aspect of the company, but these "opinions," collectively, are used to obtain some general attitude level for the (anonymous) individual represented by each questionnaire. The average of the attitude scores for the employees within a group (job, department, company, or whatever), in turn, is used as an index of "morale" of the group. There are various types of attitude scales, but they all serve essentially the same purposes.

A typical example of an attitude scale that may be used to determine the general attitude of employees toward their company is shown in Table 12. This scale is taken from an article by Bergen⁽³⁾. In the development of attitude scales by this method, the first step is to write out a large number of statements, perhaps a hundred or more, each of which expresses a viewpoint of some kind toward the company. An effort could be made to have these statements express all possible viewpoints from extremely favourable to extremely unfavourable. Each of these state=

ments is typed on a separate slip of paper and a judge is asked to place each statement in one of several piles (usually 7, 9, or 11), ranging from statements judged to express the least favourable viewpoints (placed in pile 1), to statements judged to express varying degrees of favourableness in between these extremes are placed in the piles that are judged best to characterize their relative degrees of favourableness. A record is kept of the category in which each judge classifies each of the many statements.

TABLE 12

STATEMENTS USED IN BERGEN'S SCALE FOR MEASUREMENT OF
ATTITUDE OF EMPLOYEES TOWARD THEIR COMPANY

	<u>Scale Value</u>
I am made to feel that I am really a part of this organization	9.72
I can feel reasonably sure of holding my job as long as I do good work	8.33
I can usually find out how I stand with my boss	7.00
On the whole, the company treats us about as well as we deserve	6.60
I think training in better ways of doing the job should be given to all employees of the company	4.72
I have never understood just what the company personnel policy is	4.06
In my job I don't get any chance to use my experience	3.18
I can never find out how I stand with my boss	2.77
A large number of the employees would leave here if they could get as good jobs elsewhere	1.67
I think the company's policy is to pay employees just as little as it can get away with	.80

One might think that the attitudes or feelings of the judges who are used in the construction of the scale would have an effect on the scale values obtained. In other words, it might be felt that one set of scale values for a series of statements might be obtained if the judges were, in general, favourable toward the company, while a different set of values might be obtained if the judges were unfavourable or indifferent toward the company. This possibility has been subjected to experimental test, and it has been found that the attitudes of the judges do not significantly affect the scale values obtained from them⁽⁴⁾. This fact increases the possibilities of the use for such scales in industry because it often happens that the persons who are most conveniently available for use as judges in constructing a scale may be more favourably disposed toward the company than certain groups of employees with whom the scale is to be used after it is constructed.

In the practical administration of an attitude scale, statements are printed on a sheet in random order (refer to appendix H) without the scale values appearing in Table 12. Each employee is given one of these sheets and is requested to check all statements that he agrees with or believes to be true. The sheets are then turned in without being signed. The attitude of an employee toward the company usually is defined as the average or median scale value of the statements he has checked. If the average is to be used, an employee checking statements 1, 3, and 5 of those shown in Table 12 would have an attitude score of:

$$\frac{9.72 + 7.00 + 4.72}{3} \text{ or } 7.15$$

On a scale of ten (ten being the most favourable end and zero the least favourable end) an attitude of 7.15 would be one somewhat toward the favourable end of the scale. On the other hand, an employee checking statements 7, 8, and 10 would have an attitude score represented by:

$$\frac{3.18 + 2.77 + .08}{3} \text{ or } 2.25$$

This would be a much less favourable attitude toward the company than the one described above.

10.4 DESIGN OF STUDY

The study undertaken at Epic Oil Mills was designed to investigate systematically the conditions making for variations in productivity and in the satisfaction which individuals derive from membership in groups organized to achieve given objectives. For example, what specifically motivates the worker toward productive effort? Is motivation something completely apart from the nature of work; is motivation derived from the work itself; is motivation a factor of liking for the work group and immediate supervisor?

The answer to these questions cannot be finally derived from a single work situation. In the present study, for example, the working conditions, the pay, and the size of the work group are similar for all employees doing the same type of job. This made possible a controlled comparison in relation to productivity and attitude.

10.4.1 SAMPLE

The sample used in the productivity/attitude survey is part of a larger sample of 742 non-supervisory employees and 73 supervisors and managers of all race groups. The productivity sample consists of 24 supervisors and 419 non-supervisory employees. The demographic characteristics of the non-supervisory employees in the sample used in the study are shown in Table 13.

TABLE 13

DEMOGRAPHIC CHARACTERISTICS OF
NON-SUPERVISORY EMPLOYEES INTERVIEWED

<u>Sex</u>	<u>Age</u>	<u>Marital Status</u>
Male = 100%	17 - 24 = 46%	Married = 26%
	25 - 44 = 44%	Single = 71%
	45 and over = 10%	Widowed
		Divorced = 3%
		N = 419
100%	100%	100%
<u>Education</u>	<u>Birthplace</u>	<u>Length of Service</u>
No formal Education = 20%	Outside R.S.A. = 19%	Under 2 years = 31%
Some basic Education = 56%	R.S.A.	2 - 5 years = 11%
	Other than	5 - 20 years = 37%
Some high School Education = 20%	Johannesburg = 77%	over 20 years = 20%
Some university Education = 4%	Johannesburg	4% Not Ascertained = 1%
100%	100%	100%

N = 419

The major demographic characteristics for the supervisory employees in the sample used in the productivity analysis is shown in Table 14.

TABLE 14

DEMOGRAPHIC CHARACTERISTICS OF
SUPERVISORY EMPLOYEES INTERVIEWED

<u>Sex</u>	<u>Age</u>	<u>Marital Status</u>
Male = 24	Under 35 = 1	Married = 10
	35 - 40 = 12	Single = 3
	41 - 45 = 7	Not
	Over 45 = 4	Ascertained = 1
		N = 24
<hr/>		
N = 24	24	24
<hr/>		

<u>Education</u>	<u>Length of Service</u>
Some school = 8	Under 15 years = 14
Completed std 6 = 5	15 - 20 years = 5
Std 6 to Matric level = 6	21 - 25 years = 1
Some post Matric = 3	Over 25 years = 4
Some university = 1	
Not ascertained = 1	
<hr/>	
N = 24	24
<hr/>	

10.4.2 INTERVIEWING

(a) The interviews

The three interviewers were trained by the Personnel Officer in the free answer interview technique, particularly in the method of using non-directive probes. The same three interviewers did the supervisory interviewing. Interviews were conducted in the following languages, in accordance with the language preference of the interviewee;

- Zulu;
- Sotho;
- English; and
- Afrikaans.

(b) The interviews

The non-supervisory and supervisory interview schedules went through several revisions following pre-tests on populations in the company similar to those interviewed in the study. The final questions, duly translated, were then asked by the interviewer using the wording and order shown in Table 12. The introductory remarks by the interviewer for both the supervisory and non-supervisory interviews followed the general pattern as laid down to avoid any interviewer-influence.

The non-supervisory interviews (all race groups) lasted approximately ten minutes and the supervisory interviews (all race groups) approximately six minutes. In both cases, the questions as outlined in Table 12 were put to the interviewee. The interviews were conducted during company hours in a special location set aside for the interviewing.

The interviewers did not know which sections were high or low in productivity. They were also assigned their interviews on a random basis.

The interviewers wrote down the respondent's answers on a pre-printed form.

10.4.3 CODING

The codes for both the non-supervisory and supervisory interview were built from the objectives of each question as contained in Table 12: Question codes categorized the answers from specific questions.

Since the data from any one question was distributed into a few categories and were not necessarily normally distributed, the chi-square test was used in comparing the high and low attitude groups.

The "not ascertained" responses i.e., the cases in which people did not answer (check) the particular question or in which the response could not be coded, were not included in the statistical analysis. In most cases there were no appreciable differences in percentage not ascertained responses given by the high as component with the low attitude groups.

10.4.4 PRODUCTION RECORDS

Epic Oil Mills maintains production records by cost centres and on a weekly basis. (An example of a production record is documented in Appendix J).

Production is measured by means of a budget system which records the ratio of actual time spent in completing a given production run to an expected base. For the purpose of this study, an ideal situation would have been one in which productivity as the major dependent variable had a fairly wide range of variation. Nevertheless the study was attempted because it was possible to find some comparable sections which showed significant differences in productivity over an eight-months period, when viewed against the exersivision of the attitude questionnaire study.

10.5 USE OF INDICES TO MEASURE ATTITUDINAL VARIABLE

The objective of this study called for comparisons of the attitudes of workers in high and low producing groups. To facilitate a comparison of the feelings and beliefs of employees in the high and low groups indices of employee morale have been constructed using the attitude questionnaire: Scores above 7,75 on the attitude scale were regarded as "high morale", between 7,75 and 5,25 as "medium morale" and below 5,25 as "low morale". In respect of sectional or cost centre productivity, those cost centres recording a positive variance (budget to actual) of +50 or upwards were regarded as "employees in high sections", whilst negative variance (budget to actual) of (-10) or below were regarded as "employees in low sections".

There was a significant difference between the proportion of employees of the high and low performance sections who showed high morale in their work groups, with the high performance section indicating a greater degree of morale and loyalty (Table 15).

TABLE 15

RELATION OF EMPLOYEE MORALE IN WORK GROUP
TO SECTION (COST CENTRE) PRODUCTIVITY

	<u>High Morale</u>	<u>Medium Morale</u>	<u>Low Morale</u>	<u>⁺N</u>
Employees in High Section	33%	37%	30%	100% 143
Employees in Low Section	10%	41%	49%	100% 142

⁺There were 66 employees in high sections and 68 in low sections who would not be coded on one or more items of this index.

The above finding is open to several interpretations.

- (a) One possibility is that employees of high production groups are simply reporting what they know to be the case; namely, that their sections (cost centres) produce more on the average than their counterparts. Although no data is available to completely rule out this possibility, there are several considerations that make it an unlikely explanation of the finding. Most employees compare their section (cost centre) with other sections in the same plant rather than with sections (cost centres) of the same name in other plants, which are geographically separated from one another. The comparison on productivity is, of course, between geographically separated sections (cost centres); in essence the Epic Oil plants in Johannesburg (Selby), Isando, Cape Town and Pietermaritzburg. Moreover, the index includes coder ratings on sectional and plant division identification which are not identical with expressed morale although they are moderately correlated. In addition, the index includes not only the question on how well the employees section (cost centre) compares with other sections (cost centres), but also on how well his plant compares with other plants within the company.

To substantiate the findings expressed in Table 15, an additional question was put to the population sample by the interviewers:

Question:

"How do you think your section (cost centre) compares with the other sections (cost centres) in Epic in getting a job done?"

The findings of this additional undertaking to the main study are repeated in Table 16.

TABLE 16

COST CENTRE COMPARISON

	Above Average or one of best in Epic	About Average	Below Average	Not Ascertained ⁺		N
Employees in high Sections	34%	29%	17%	20%	100%	140
Employees in low Sections	21%	19%	33%	27%	100%	140

⁺Most of these employees said they did not know anything about other sections (cost centres) and therefore could not compare their section (cost centre) with others. Actually, this group can be construed as not evidencing high morale in their section (cost centre). They are more likely either the "about average" group or the "below average" group.

- (b) Another possibility underlying the findings reflected in Table 15 is that high morale groups generate high performance -- that morale is the cause and high productivity the effect. The rationale being that employees in high morale sections help one another out more than those in low morale sections. However, the relationship between helping each other out and productivity did not reach statistical significance.
- (c) Finally, it may well be the case that productivity and morale are mutually interacting variables; that an increase in either variable results in an increase in the other. Thus, increasing morale in the work group may increase productivity, which in turn could further increase pride.

10.6 THE RELATION OF SUPERVISORY PRACTICES AND ATTITUDES TO PRODUCTIVITY

Following the use of indices to measure productivity and attitudinal variables, and further the attention given to the training of both

White and Black supervisors at Epic Oil Mills (Chapter 8 and 9), an important group of variables that was tested for possible relationship to productivity consisted of the time spent in supervision as related to section (cost centre) productivity.

The behaviour of the supervisors in the high and low sections (cost centres) tested in previous study differs in a consistent fashion if we are to accept the reports of the supervisors and the reports of their employees as valid indication of actual supervisory practice.

At the simple but basic level of amount of time given to supervision there is a significant difference in the reports of the supervisors of the high sections as compared to supervisors of the low sections. More of the high-production section heads report spending 50% or more of their time on supervision, -- that is, on overseeing and planning the work and the staff. Conversely, more of the low production section heads report spending 50% or more of their time doing the same general type of work as the experienced employees in their sections (Table 17).

TABLE 17

RELATION OF PROPORTION OF TIME SPENT IN SUPERVISION
TO SECTION (COST CENTRE) PRODUCTIVITY

Question: "What proportion of your time is given to supervisory Matters?

What proportion to other duties?"

	50% or more of time spent in supervision	Less than 50% of time spent in supervision	Not ascer= tained	N
Heads of High Sections	9	2	1	12
Heads of Low Sections	4	7	1	12

10.7 EMPLOYEE ATTITUDE AND ABSENTEEISM

In a further study undertaken at Epic Oil Mills, more consistency in the relationship of attitude to absenteeism was noted. "Overall satisfaction" of employees was considered to be 100 per cent if an employee scored 9,50 or more, on the attitude scale (Table 12). This index was then compared with absenteeism rates for various work groups. Absenteeism rates computed over an 8 month period, were grouped as follows;

- (a) group 1 represents absenteeism of less than 20%;
- (b) group 2 - 3 represents absenteeism of less than 45%; and,
- (c) group 4 represents absenteeism of more than 45%.

The results (shown in Figure 18) show that, of the employees in groups with absence indexes of 4 or more, only 22 per cent were "satisfied" with their jobs. By comparison, in groups with absence of indexes of 1, and of 2 or 3, the percentage of employees who were "satisfied" were 62 and 52 per cent respectively.

10.8 CONCLUSION

In general, it cannot be stated unequivocally that employees with favourable general attitudes are necessarily more productive than those with unfavourable attitudes although there are definitely situations where this has been found to be the case. There does, therefore, seem to be some support for saying that attitudes are moderately related to aspects of employee behaviour.

Thus, in terms of both immediate interests of industry itself and of long-range human resource planning, there seems to be adequate justification for the actions taken by management to create work situations that are conducive to the increase of employee satisfaction, as measured on a scale of attitude.

This brings forth the question of motives that serve as the stimulant to management in the development of "human relations". In this connection a statement by Worthy⁽⁵⁾ is uniquely appropriate.

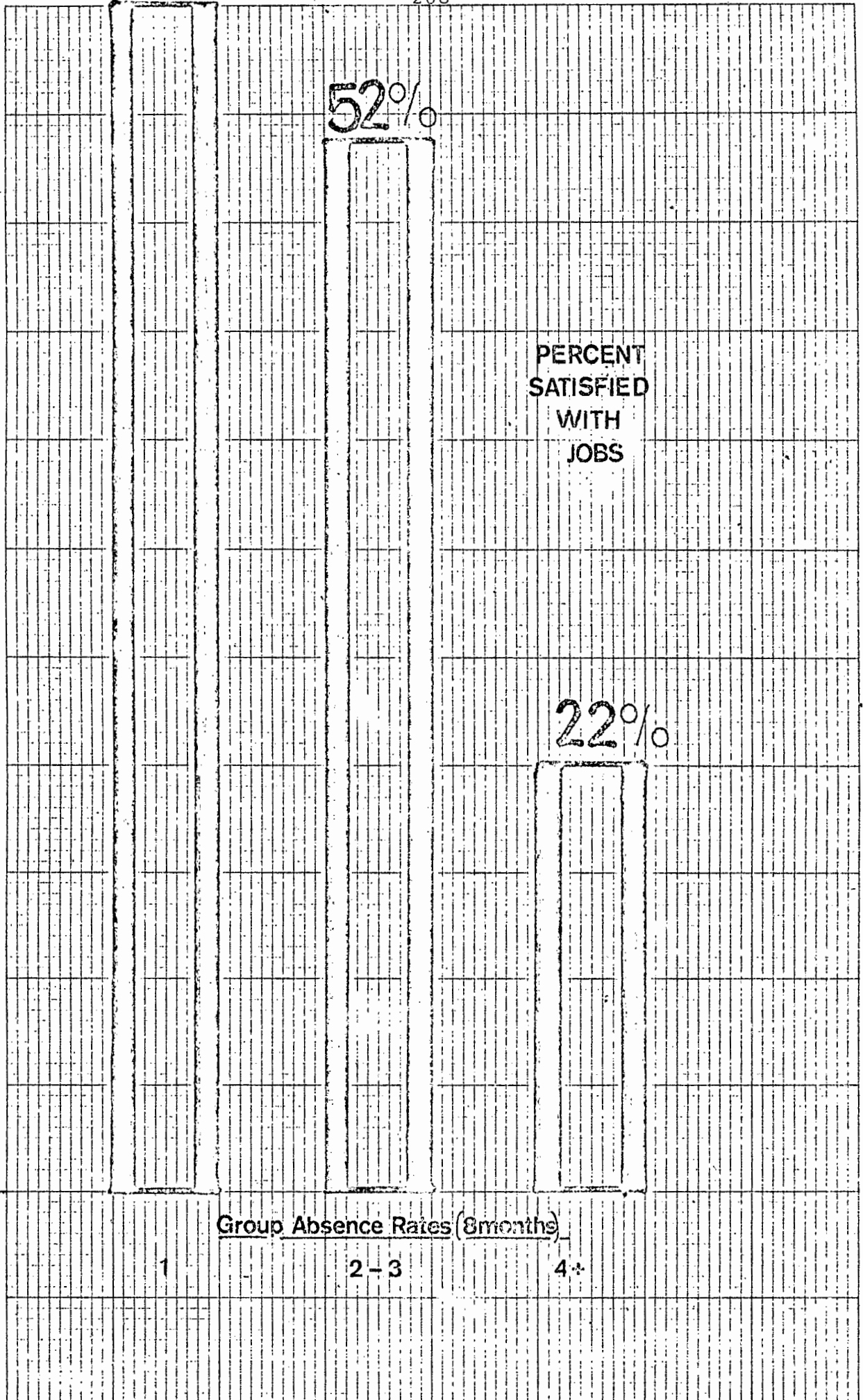


Figure 18: Employee Attitude and Absenteeism

I agree ... that gimmicks and devices employed for purposes of manipulation will soon lose their effectiveness. The important question is management's motives in employing the results of human relations research. If its motives are those of narrow self-interest, of finding subtler and smoother ways of bending workers to its will, the effort will be worse than useless for it will widen further the gap between workers and management. But if management's motives are sincerely those of better understanding the problem of people at work, of finding better ways for making work a more rewarding experience, of discovering its own shortcomings and means of improvement, management's efforts to apply the findings of human relations research are likely to create positive benefits for all concerned.

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CHAPTER 11

CHARTING A COURSE FOR THE FUTURE

11.1 INTRODUCTION

Vast differences exist in what personnel administrators in personnel departments do, how they do it, what is believed to be the purpose of the department and what is considered the scope of personnel administration. The question "why such differences exist" within the context of South African personnel administration may be answered in an oversimplified, yet reliable manner: The various personnel departments differ one from another because, among other reasons, the top operating or line managers of various businesses are different: The management strata differ in what is desired and, in what is done to achieve management success. These differences are, of course, stoked by the social, political, economic, and labour pressures which surround every manager. The wide range of managerial reaction to these, and other pressures determines what course of action is demanded of personnel departments. Since this is a truism, the first step in charting the future course of personnel is to establish the role of line managers in the future.

11.2 LINE MANAGERS OF THE FUTURE

In 10, 15, or 20 years' time it is to be expected that the profit motive will still be the target upon which line management will focus managerial rights. The target set, it is accepted that a type of management thinking and action will have to precede the desired results. What then, will be the core and the periphery of the work of these future line managers? There is probably no answer satisfactory to everyone, but most researchers agree on a few basics which indicate a direction. This direction to the role of the line manager in the future can be analysed into four categories.

(a) Planning

Future managers will be planners. Under the heading of planning, of course, come setting goals and objectives for the

company, determining policies and programmes to achieve these goals and objectives, and developing the timing of accomplishment. There will, of course, also be planning for the development of people and the other resources of business.

(b) Organization

Future managers will spend much time determining the total work of the unit, how responsibilities can better be identified and grouped, how definitions of authority and accountability can be improved, and how more integrated relationships between persons and departments can be effected. Sophisticated ideas concerning the various organizational compulsions which direct and stimulate people to integrated, effective effort will have to be developed.

(c) Implementation

Future managers will concern themselves with implementing plans and company organization through timing, unification integration, selection of competent people, equitable compensation, consistent leadership, good communication, and appraising, and counselling and coaching employees. Future managers will have a direct personal interest in morale. Future managers will be expert in these functions. Personnel administrators will not have the prime responsibility in these matters because the line manager will be in the most strategic position to effect excellence.

(d) Measurement and control

Because of this strategic position, the future manager will concern himself with the measurement and control of all the parts of the business function. The future manager will establish yardsticks for statistical and other types of measurement and evaluate performance and take corrective action. The conclusions in this area will indicate the process of management again with better planning, smoother organization, improved leadership, and more refined controls.

The above categories, with appropriate subgroups, outline the concept of systematic management.

11.3 PERSONNEL MEN OF THE FUTURE

At this point, the question might be posed: What does systematic management mean to personnel administration -- that is, where is personnel administration headed? Before answering this question, however, one must take a look at another staff activity: assistance to managers in planning. If it is true that future managers will be concerned seriously with planning, what will the planning staffs which are common in big business today be doing? Certainly many of these staffs will have a vastly different role. No longer will it be necessary to figure out how to get managers to appreciate the value of planning; no longer will it be necessary to think up new ways with which to disguise the planning activity. Instead, the work of the planning staffs will probably consist of tasks delegated by line managers who are more conscious than anybody else of the necessity to set a clear-cut course for the enterprise for both the short and long range.

What will the personnel administrators be like who will have to serve the near-perfect line manager of the future?

(a) Wage and salary administration

Much of today's work in wage and salary administration is made necessary by those managers who neither understand nor really want order and equity in wage and salary administration. Certain managers try, in one way or another, to stray from agreed-upon ranges and schedules. Others want to pay less than should be paid because it is thought that one can "get away with it". With the near-perfect of the future there will be a minimum of this kind of thing, for the simple reason that it is inefficient and not as competitive as a more orderly plan.

The wage and salary administration will have to be well informed in all the areas of the field -- such as how compen=

sation is affected by taxes, extra benefits, legislation and company policy -- that counsel is actively sought. The wage and salary administrator will have to assist in making long-range wage and salary plans that take into account much more information than the superficial data used today in developing compensation plans. A clue to this future scope of concern lies in the word "compensation" -- and in an enlightened definition of this word: From the point of view of the individual worker, what, really, is acceptable and desirable compensation? Certainly money, but it is known that it is not only money. Finding out what else the worker wants, what creates positive motivation, and what is the coin of incentive, and then arranging for management to offer these incentives as part of wage and salary compensation. Undoubtedly these wage and salary administrators will also have to undertake analysis of increasingly technical knowledge about the latest legislative, bargained, or granted commitments of corporations pertaining to supplemental unemployment benefits, taxes, hospital and surgical benefits, life insurance, savings, retirement and pension plans.

(b) Labour Relations

Labour relations men will not nearly as often be faced with grievances and troubles caused by managers who have no policy or objectives, who are not organized properly, who are arbitrary and insensitive leaders, or who perceive so poorly what is going on in their departments that they unjustly evaluate the work of certain employees. There will, of course, always be grievances, and to have a few is healthy. Some kinds of grievances, however, that presently occupy so much of both the worker's and management's time will dwindle as managers become more knowledgeable.

Future managers will no longer look upon labour negotiations as some mysterious process reserved only to those especially initiated in its secret rituals. Certainly, good managers of the future will insist that more direction is introduced

into the field of labour negotiation. Such negotiations are extremely important to the welfare of the enterprise, and dealing with such negotiation will have to receive attention.

(c) Morale

Finally, what of that great vague area of personnel administration having to do with the building of morale, a sense of security and well-being, the "will to do" and a feeling of just treatment? Personnel departments, will always be looked upon as places where the most should be known about how these can be achieved. In the future the number of personnel departments which are looked upon by employees and by managers as the main place where justice is conceived and administered and where morale is built or destroyed will diminish considerably. The responsibility for carrying out that which is equitable and just in employee relations and maintaining morale is certain to shift more and more from the personnel department to line managers, solely because there is no other place it can logically rest. A staff department cannot possibly, of and by itself, provide just and equitable treatment or build morale; no staff can build the will-to-do in the employees of another department, nor can it provide equity and justice for employees whose managers are not concerned with these matters. One of the greatest mistakes a personnel administrator can make, is to let employees convince the administrator by actions that it is thought that the personnel department is the final resting place of the good, right, and fair decision for either employees or managers.

Essentially, then, the various fields of personnel administration in the future will require competent students of human nature that line managers -- who will be well informed -- will seek aid from. This does not necessarily mean that personnel departments will be smaller. Even though line managers will take over some of today's personnel functions, the greater appreciation of the importance of people to business success will lead line managers to ask for many innovations not asked for now.

11.4 A FUTURE FOR PHILOSOPHERS

The fact that business is becoming more and more a competition not only of products and services but also of managers, is forcing change at a much faster rate than that of normal evolution. To keep abreast, personnel administrators must become "working philosophers". Working (practical) philosophy is necessary to set a basic, broad, long range course for the management of people. These working (practical) philosophies will concentrate less upon class category, such as "What do workers want?" or "What do managers want?". The philosophies will recognize that corporations, and labour organizations have been in existence for only a short time -- hardly more than a historical blink of an eye. The philosophy will further recognize that, in scarcely more than another blink, corporations and labour organizations will evolve to something so different that the issues struggled with today will appear as unimportant as those of two hundred years ago. In essence, the working (practical) philosophies will analyse today's problems with historical perspective.

The personnel administrators or philosophers of the future will also continue to realize that, to be healthy and at their best, men must receive recognition. Here, however, the personnel administrator will use a philosophy: True recognition comes from the individual's evolution of the extent to which he has met his own standards. Providing this man with a suggestion system through which he may pass superficial ideas about machines or work processes may have no bearing whatever upon his true feeling of worth.

The personnel administrator of the future will calculate with much greater care which of man's needs the corporation should strive to fill, what functions should move properly to be left to other institutions, and what problems should be left to the individual alone. These philosophies in business will recall another truth of long standing: The truly great issues have never been group debates or battles; for group issues, like leaves, die; and are replaced by others. Groups and their issues are often

only a convenient maze in which individuals can show their purpose more meaningfully. The only issue of any permanent account is the age-old inevitable battle within the individual mind and spirit as each person struggles within himself, searching consciously or subconsciously for the true reason for his being and for his true work. It is essential that personnel administrators should better comprehend this phenomenon in each man, and have more and more respect for it.

11.5 THE TRAINING JOB AHEAD

These words suggest the importance of another aspect of the new philosophy: industrial training. It is now being recognized by responsible personnel administrators as well as by line management that it helps no one to perpetuate outmoded inefficient, and unnecessary jobs and job methods. If operating inefficiencies are allowed to continue on the ground that they maintain high employment figures, the ability of our industries to compete in domestic and world markets will be lessened, our total economy will be weakened, and the net result will be fewer rather than more jobs in the not-very-long run.

A substantial portion of the workforce will have to be retrained during the next decade to fill the new positions that will be created by automation and increased mechanisation. The skills of thousands of employees will have to be upgraded to qualify them to undertake the more complicated assignments -- especially in maintenance -- that automation will create, and thousands of unskilled or semi-skilled workers will have to be trained so that they can shift to new jobs when the old jobs have been rendered obsolete.

South African industry must train a tremendous number of people if it is to upgrade the skills of workers and educate many of them so that they are able to fill responsible jobs. It means that the emphasis in training and management education will necessarily shift from human relations to the cold facts and skills required by the new technology. It means that, in industrial education as

in general education, it is not possible to neglect the hard disciplines in favour of a "life adjustment" or a "people-centered" approach -- unless personnel and training administrators are content to lose leadership.

The training job ahead will not be just a job for the training "experts" either; line managers will assume an ever increasing responsibility for every phase of training. This is only to be expected; after all, executives and supervisors have a first-hand knowledge of operational problems, and they are responsible for putting the company's plans for the future into effect. The future line manager will know what skills and abilities employees must have to meet future performance standards.

11.6 CONCLUSION - FAREWELL TO THE HAPPINESS BOYS

The approach used to chart a course for the future of personnel administration and training will require an entirely new attitude. More and more personnel administrators are accepting the fact that a business enterprise is not the ideal place for group therapy and life adjustment and that, given half a chance, the vast majority of executives and employees are able and willing to live and work as self-sufficient men, not as wards of an organization.

This, then, is farewell to the Happiness Boys -- the finish of interwoven togetherness. Under this new, more demanding philosophy, managers will no longer have to assume all the responsibility for company success while the employees are protected from the consequence of low-quality work, inefficiency, and indifference because they have somehow confused the "right to work" with the right to draw a wage packet."

Naturally nothing happens overnight. It can be pointed out that if a determined, aggressive people are fitted against a fat, complacent people in a battle for survival, it does not take much intelligence to know who will come out of top. Events of the past few years have shaken us out of our complacency. If personnel administrators can shed the fat of inefficiencies, South Africa

will have an industrial machine whose productivity can meet the competitive challenge of nay other country. But it's up to per=sonnel administrators to lead the way.

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APPENDIX A

PERSONNEL GUIDE TO MANAGEMENT ON
RECRUITMENT, EMPLOYMENT AND PLACEMENT

Epic Oil Mills (Pty) Ltd Personnel Guide to Management

Reference PCB 81/73

SUBJECT: Recruitment, Employment and Placement of Staff.

CIRCULATION: Management Committee Members, Factory Managers, Departmental Manager and Departmental Foremen (all locations):

1.0 RECRUITMENT

Recruitment is like the outstretched arms in the employment picture. Ideally it should gather in enough applicants from whom the final selection can then be made.

The problem of recruiting varies by type of job, location and current labour market. The Company must:

- (a) establish and maintain the most productive sources of supply and
- (b) devise the most effective and efficient means of reaching applicants. Then it must succeed in encouraging them to remain in the employ of the Company - naturally, this last duty falls squarely on the shoulders of all present Epic employees, for they create the climate which will either encourage or discourage the new recruit to remain at Epic.

There are two sources of applicants to fill vacant positions: internal and external. The internal source is inside the Company; this rewards faithful and loyal workers with a more remunerative position or with work that is more to the liking.

For new recruits, the labour market has to be approached. In context, legal requirements will have to be met.

FLOW SUMMARY

COMPANY POLICY

STEP

Vacancy to be filled

FILLED BY

Lateral Transfer

Promotion

Replacement

Explanation of these policies are as follows:

1.1 LATERAL TRANSFER

Often a vacancy existant in one location could be filled by a lateral transfer, i.e. to move an individual from another department to fill the vacancy. It must be noted that a lateral transfer by nature DOES NOT INVOLVE EITHER A PROMOTION OR A WAGE INCREASE. Should a lateral transfer take place it has to meet the following requirements:

1.1.1 Must be approved by the FACTORY MANAGER.

1.1.2 The clock-card returned on a Tuesday, to the WAGE OFFICER must be written up as follows (in large red letters)

1.1.3 "Lateral transfer from Cost Centre ... To Cost Centre ...
No Wage Increase.

(The Wage Officer will in turn, communicate such transfer to the Personnel Officer)

1.1.4 The above endorsement must be signed by the FACTORY MANAGER.

1.2 PROMOTION

Preferance must be given to promotions from within. Should a vacancy occur in a higher grade, it is our duty as "fair employers" to promote an Epic employee to his higher level. Obviously, the candidate will have to possess the ability to handle the increased responsibility.

To institute a promotion of this nature, the following requirements are applicable:

- 1.2.1 All promotions will be discussed with the FACTORY MANAGER.
- 1.2.2 Should the promotion be to the senior grades (I & II), or an appointment of a Team Leader it must be discussed with senior production management and the personnel department.
- 1.2.3 Promotions below grade II need only be discussed with the FACTORY MANAGER.
- 1.2.4 After discussion, the clock-card returned on a Tuesday to the WAGE OFFICER must be written up as follows (in large red letters).

PROMOTION from Grade ... to grade ...

APPROVALS: (Here will follow the following signature: In the promotion of a Grade I or II signature of General Technical Manager, followed by Factory Manager's and Personnel Officer's signatures. In the promotion of all other grades signature of Factory Manager only).

The WAGE OFFICER will in turn, communicate the promotion of all grades below II to the Personnel Officer.

1.3 REPLACEMENTS

Due to the natural turn-over of staff, it will be necessary to replace employees.

The selection of these replacements must meet two basic criteria:

- 1.3.1 The replacement must be the most suitable available on the current labour market.
- 1.3.2 Meet the legal requirements existant.

Until such time as aptitude testing and subsequent selection is introduced, the FACTORY MANAGER or his designate will be responsible for the selection of suitable replacements.

The attached form (E/O 25) will be kept at all locations for the explicit use of engaging replacement.

The "steps" contained in the form are elaborated as follows:

STEP 1 - AUTHORITY TO REPLACE:

To ensure adequate control of our labour intake, it is necessary to establish that the new recruit is a bona-fide replacement.

STEP 2 - LEGAL REQUIREMENTS:

In the case of those graded employees whose engagement is governed by legal requirements, the following procedure must be followed:

- (a) At the interview FIRST establish if all recruits have been granted the required permission to work in the specific area (inspect Reference Books) - ask for "F" Cards.
- (b) Make your selection from those candidates who are legal work-seekers.
- (c) BEFORE, completing the Engagement Form (i.e. actually hiring) complete the "E" Card, of the work-seeker, ensure that he returns promptly to the local Non-European Affairs Department for subsequent registration.
- (d) When the work-seeker returns; check Reference Book to establish if he has been registered, then: complete Engagement Form and recruit the new employee. ATTACH "F" CARD TO ADVICE TO ENGAGE FORM.

STEP 3 - HIRE IN PROCEDURE

On recruitment - complete this step FULLY.

STEP 4 - WAGE INFORMATION

- (a) U.I.F. At the initial interview, the recruit should be asked to produce his Unemployment Insurance Fund Card. THIS MUST BE ATTACHED TO THE ADVICE.

Should the recruit have an U.I.F. Card, but this is in the possession of his past employer, then the recruit must be warned to produce this card at the first possible occasion.

(In this case, note: "CARD FOLLOWING" in the appropriate space. If the recruit has never been in possession of a card delete "YES" and place a large red circle around the entire part of (1) (In this case, the personnel department will take the necessary action to secure a card).

- (b) WAGES: The starting wage will be the minimum wage as laid down in the rate range for the specific grade. If the recruit is well-experienced a higher rate (starting) should be discussed with the FACTORY MANAGER.

The engagement advice is sent to the PERSONNEL OFFICER as soon as replacement is hired after audit this advice is passed on to the WAGE OFFICER.

LABOUR SOURCES

Labour will be recruited through the following "media":

- (a) Recruitment at the Local Bantu Affairs Department.
- (b) Newspaper advertisements (for higher grades).
- (c) By word of mouth; this procedure (especially in the lower grades) has met with a great deal of success. Basically, an employee presently engaged at Epic will recommend a friend or relative as a potential replacement.

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EPIC OIL MILLS LIMITED

ENGAGEMENT ADVICE (GRADES)

FACTORY

LOCATION

COST CENTRE

STEP 1 - AUTHORITY TO REPLACE

THE REPLACEMENT NAMED BELOW IS ENGAGED TO REPLACE

..... CLOCK-CARD NO

COST CENTRE GRADE

PERSONNEL AUDIT

STEP 2 - LEGAL REQUIREMENTS (IF NECESSARY)

(i) PERMISSION TO WORK ("F" CARD) ATTACHED: YES/NO

(IF "NO" ELABORATE

.....

.....)

(ii) CONTRACT LABOUR NO

CONTRACT RENEWAL DATE

STEP 3 - HIRE PROCEDURE

SURNAME CHRISTIAN NAMES

IDENTITY NO TRIBE

DATE OF BIRTH MARITAL STATUS

FULL NAME OF HUSBAND/WIFE

NUMBER OF CHILDREN

IN AN EMERGENCY CONTACT

.....

STEP 4 - WAGE INFORMATION

- (i) U.I.F. CARD ATTACHED: YES/NO
- (IF "NO" APPLICATION FOR CARD DATED BY
- (ii) REVENUE OFFICE
- (iii) EMPLOYEE GRADE AT R.....P.W.
- ATTENDANCE BONUS R.....P.W.
- (iv) DUTIES COMMENCED ON

SIGNATURE

FACTORY MANAGER

STATEMENT:

I have advised the employee that he/she will be required to join the Retirement Scheme after completing 5 years' service.

SIGNATURE

INTERVIEWING OFFICER

APPENDIX B

APPLICATION BLANK

"Epic Oil Mills" (Pty) Limited

"APPLICATION FOR EMPLOYMENT"



Vervaardigers van Eetbare en Industriële Olies, Grondboontjebotter,
Manufacturers of Edible and Industrial Oils, Peanut Butter,

Kook- en Bakkersvet, Margarien en Huishoudelike Seep,
Cooking and Bakers Fats, Margarine and Household Soaps,

EPIC OIL MILLS

(PTY) LIMITED

PREMIER CENTRE 37 QUINN ST. NEWTOWN, JOHANNESBURG TELEGRAMS "EPICOIL" TELEPHONE 836-2881 P.O. BOX 89, JOHANNESBURG.
PREMIER SENTRUM QUINN STR. 37, TELEGRAMME TELEFOON POSBUS

APPLICATION for EMPLOYMENT

(Please complete fully)

POSITION SOUGHT

1st CHOICE			
2nd CHOICE			
Your present monthly salary: R	Do you receive an annual bonus? R	Salary expected: R	Date when you can assume duties:

PREVIOUS WORK HISTORY

	CURRENT OR MOST RECENT EMPLOYER:	2nd LAST EMPLOYER:	3rd LAST EMPLOYER:
(Disregard this space and complete next three columns.) NAME OF COMPANY: —			
TOWN/CITY: —→			
DATES EMPLOYED: —→	From To	From To	From To
POSITIONS HELD — CURRENT OR MOST RECENT EMPLOYER: (Give job title and summarise your main duties. Do the same for your 2nd and 3rd last employers in the next two columns.)			

EMPLOYERS PRIOR TO THIRD LAST ABOVE

NAMES OF COMPANIES:	TOWNS/CITIES:	DATES EMPLOYED: From To

APPENDIX C

"EPIC OIL MILLS (PTY) LIMITED"

"APPLICANT SCREENING PROFILE"

Name _____ Date _____
 Address _____ Telephone _____
 Applying For Job As _____ Date Available _____
 Present Job _____ Education _____

PERSONAL GROOMING	Unkempt; noticeable lack of neatness 1	No special care in dress or appearance 2	Neat and clean 3	Pays special attention to personal details 4	Immaculately dressed and groomed 5
VOICE QUALITY	Harsh, irritating 1	Indistinct, difficult to understand 2	Pleasant tone and voice 3	Clear, understandable; good tone quality 4	Unusually expressive; excellent voice 5
PHYSICAL APPEARANCE	Unpleasant, unhealthy appearance 1	Appears to lack energy, listless 2	Good physical condition; pleasant appearance 3	Appears fit, alert, energetic 4	Especially energetic, good carriage; appears in excellent condition 5
PERSONAL MANNER	Nervous, embarrassed; compulsive mannerisms 1	Stiff, uncomfortable; ill at ease 2	No unusual tension, comfortable, at ease 3	Appears alert, free of tension 4	Unusually self-possessed and composed 5
CONFIDENCE	Shy, retiring; arrogant, "cocky" 1	Submissive; argumentative 2	Reasonably self-assured; forthright 3	Shows self-confidence 4	Unusually self-assured; inspires confidence 5
EXPRESSION OF IDEAS	Unclear, illogical; speaks without thinking 1	Dwells on non-essentials; thoughts not well defined or expressed 2	Thoughts clearly expressed; words convey meaning 3	Convincing; thoughts developed logically 4	Unusual ability to express ideas logically 5
MENTAL ALERTNESS	Dull, slow to grasp ideas 1	Comprehends ideas but contributes little to discussion 2	Fairly attentive; expresses own thoughts 3	Quick-witted, alert; asks intelligent questions 4	Unusually quick thinker, keen mind; grasps complex ideas 5
MOTIVATION AND AMBITION	No drive, ambition limited 1	Little interest in development; seems satisfied 2	Interest and ambition fair; reasonable desire to work and develop 3	Definite future goals; wants to succeed and grow 4	Ambitions high, future well planned; evidence of personal development 5
EXPERIENCE AND EDUCATION	Education and experience unsuitable for the job 1	Education and experience not directly applicable, but helpful 2	Good educational and work background; experience fair 3	Education and experience fit job; above average qualifications 4	Background especially well suited; continues to study 5
PERSONALITY	Immature, impulsive; indecisive, unstable 1	Opinionated; difficulty in accepting others' ideas 2	Reasonable stability and maturity. 3	Stable, cooperative; accepts responsibilities 4	Very mature, a "self-starter"; outstanding personality 5
TOTAL					

Remarks: _____

Recommended For Further Consideration: _____ Not Recommended: _____

Signature of Interviewer _____

APPENDIX D

PERSONNEL GUIDE TO MANAGEMENT

ON

SALARY ADMINISTRATION PROGRAMME

Epic Oil Mills (Pty) Ltd

Personnel Guide to Management

Reference PCB 90/73

(The salary administration programme is
accepted as the best tool to secure the most
from our salary outlay in terms of
attracting qualified employees, maintaining morale,
and minimizing turnover)

NO. 1: THE PROGRAMME

The Personnel Manager is charged with the responsibility of administering the salary administration programme

The overall programme is best depicted by this flow diagram:

		<hr/> TO BE FOUND <hr/>	
FROM	SALARY EVALUATION	(Page 231)	
	(a) Job Questionnaires	Personal Files	
	(b) Job specifications	This Package	
	(c) Job Evaluations	Personnel Dept.	
	(d) Job Performance Ratings		
TO	SALARY ADMINISTRATION	(Page 231)	
	(a) Salary Market Surveys	This Package	
	(b) Company Job Evaluation Chart	This Package	
		On Page 236	
WITH	UNDERSTANDING OF	(Page 232)	
	(a) Rate Range Concept	This Package	
	(b) Salary Progression of Individuals	This Package	
	(c) Salary Increases	This Package	
	(d) Hiring Practices	This Package	
	(e) Maintenance of Programme	This Package	
	(f) Red Circle Salaries	This Package	
	(g) Cost of Living Analysis	This Package	
		On Page 234	

NO. II: SALARY EVALUATION

(a) Job QuestionnairesExample attached

A description of duties; it is desirable that the employees themselves write up these duties. The employees immediate superior reviews Questionnaire and completes. Points such as duplication of functions, over or under Staffing, and excessive duties are revealed and resolved.

(b) Job SpecificationsExample attached

By reviewing the job questionnaires, jobs of similar content are grouped into single classifications, and all jobs within the company are put into proper groupings - thereby eliminating slight variations in responsibility. These job specifications will form the basis of comparisons which are used during the salary market surveys.

(c) Job EvaluationsNo example

The Personnel Manager working through a job evaluation committee arranges jobs in order of value to the Company operation.

(d) Job Performance RatingsExample attached

An orderly, systematic method of appraising an employee's performance on the job, and in terms of the requirements of the job. The rating is completed each year in June.

NO. III: SALARY ADMINISTRATION

(a) Salary Market Surveys

It is essential that we pay high enough to attract qualified people, and this can only be done if we know the market. To be thorough and competitive our survey contains:

- (a) representative companies located in our immediate areas of operation; and
- (b) Companies in direct competition

Male ☐
Female ☐

Immediate Supervisor - Name _____
Title _____

cribe the purpose of your job: _____

The purpose of this questionnaire is to provide management with an understanding of what you are doing. Describe the duties of your job as clearly as possible. Avoid using general terms such as "handle" or "take care of". Indicate contacts made and purpose.

[illegible]

Employees Supervised:

1. Directly - Report to you
Job Classifications

Number

2. Indirectly - Report to you thru employees listed in #1
Job Classifications

Number

TO BE FILLED OUT BY MANAGER

Qualifications:

Education _____

Experience or work background _____

On education and experience listed above, what is minimum learning time: _____

Formerly employees are { promoted from _____ to this position
promoted to _____ from this position

Most difficult feature of this job: _____

Additional comments: _____

Manager _____

JOB SPECIFICATION

Job Title

Code

Department

Date

Description

Responsible To:

Supervision Exercised:

Direct ☐

Indirect ☐

Educational Requirements:

Office Equipment Used

Line of Promotion

From:

To:

Previous Experience Required:

Learning Time:

E P I C O I L M I L L S L I M I T E D

P E R F O R M A N C E R A T I N G

NAME: _____ POSITION: _____

DEPARTMENT: _____ LOCATION: _____

RATED BY: _____ DATE: _____

SCORING:

D E G R E E S

	1st	2nd	3rd	4th	5th
1. Job Knowledge	20	16	12	8	4
2. Quality	20	16	12	8	4
3. Co-operation Communications	15	12	9	6	3
4. Responsibility	15	12	9	6	3
5. Initiative	10	8	6	4	2
6. Quantity	10	8	6	4	2
7. Dependability	10	8	6	4	2

Employee Review: Each employee's performance rating will be discussed privately with the employee by the rater. The rater will discuss both the employee's strong and weak points as revealed by the rating, without reference to point value of factors or total score. This can best be accomplished by conducting a conversation between the rater and the employee in such a way as to give the employee a feeling of individual worth and foster a sense of pride in himself and his work. Anything significant mentioned by the employee during the conversation may be recorded under "Comments", and the form then forwarded to personnel.

Job Knowledge	How well does this employee understand the requirements of the job to which assigned?	Has sufficient knowledge to do job	Insufficient of some phases	Continually needs instruction
Quality of Work	How accurate, neat and complete is the work?	Careful worker seldom needs correction	Occasionally careless - needs checking	Inaccurate and careless
Co-operation/Communications	Does this employee work harmoniously and effectively with co-workers and supervision?	Usually tactful and offers to assist others	Co-operation must be solicited - seldom volunteers.	Tends to be a trouble-maker
Responsibility	How does this employee accept all the responsibilities of the job?	Accepts all responsibilities fully and meets emergencies	Does some assigned tasks reluctantly	Indifferent avoids responsibilities
Initiative	How well does this employee begin an assignment without direction and recognise the best way of doing it?	Self starter - makes practical starter	Does regular work without prompting & readily accepts suggestions	Must usually be told exactly what to do.
Quantity of work	How much satisfactory work is consistently turned out by this employee?	Maintains unusually high out-put	Does sufficient amount of work	Inadequate turn out of work
Dependability	How faithful is this employee in reporting to work and staying on the job?	Punctual and does not waste company time	Generally as needed	Chronic abuses of working schedules

(For uniform understanding and interpretation, each factor is adequately defined. The factor, in turn, is subdivided into degrees which are clearly spelled out on the scale. A range of points is thereby assigned to the factors, and a total score (out of 100) is arrived at by summing all the factors).

P E R F O R M A N C E R A T I N G

1. COMMENTS:

(Anything significant discussed during the performance interview to be recorded here).

2. READINESS FOR PROMOTION:

(check applicable)

Retain on
Present Position.....

Retain on
Present position for
more experience

Move to lateral or
similar position to
broaden experience

Ready for
promotion
now

Reasons for above assessment (indicate any restricting factors such as ill health, age, inability to move, etc. - strengths and/or weaknesses).

3. TRAINING AND DEVELOPMENT NEEDS:

(Specific training courses, assignments, or duties which would provide for employee development).

(b) Company Job Evaluation Chart

The evaluation chart (see No. V) is the heart of the programme. It is the place where the data from the surveys and the job specifications is recorded, and where a view is had of the relative importance of each job in the salary structure -- not only with relation to the particular function with which it is involved but also relative to other jobs in the company with different titles yet with the same amount of responsibility.

NO. IV: UNDERSTANDING OF

(a) Rate Range Concept

A rate range, rather than a single rate for any job, is desirable because no method of evaluation has been found so scientifically accurate that an exact money value for a salaried position can be established. In establishing ranges for positions reporting to one another, there is, of necessity, a need to overlap - this is catered for in the spread of the COMPANY JOB EVALUATION CHART.

It is recognized that the value to the Company of employees in salaried positions can not be evaluated in simple terms such as "length of service" or "measured ability". Only by the use of a rate range plan can these factors be recognized when an employee's personal rate is reviewed.

(b) Salary Progression of Individuals

The salary programme is linked to merit; it does not provide a system of regular, periodic, almost automatic increases in which, rigidly mechanically, an employee moves from minimum to maximum of the range over a specified period of years and at a specified rate. Management is responsible for proper distribution of merit money where it is most deserved and where it will be most effective.

To ensure that the rate range plan as reflected in the COMPANY JOB EVALUATION CHART caters for such merit review, any GENERAL COST OF LIVING ALLOWANCE REVIEW (expressed as a percentage)

will be incorporated in the CHART as an increase to all MIDPOINTS. Should therefore a 10% Cost of Living Allowance review be announced, all midpoints will move up 10%; this ensures that the rate range spread remain equitable.

(c) Salary Increases

- (i) Merit Increases: Granted to reward employees for improvement and/or quality of work in their present position. Salary ranges in our Company provide a minimum, midpoint and maximum for each position. In arriving at these ranges we analyze prevailing salary market and company rates, and establish midpoints to match them average rates currently paid for satisfactory performance of all jobs which fall in this rate range. The minimum, midpoint, and maximum of the rate range provide your basis for overall programming of the employee's long-term salary progression measuring his performance against total job requirements.
- (ii) Promotional Increases: To qualify for a promotional increase an employee must transfer to a classification possessing a higher rate range.
- (iii) General Increases: Granted to compensate for cost of living increases and to provide for improvement in standard of living.
- (iv) Inequity Increases: Granted where, as a result of salary surveys, it is determined that an adjustment is required to bring the salary of an individual to the proper level.

(d) Hiring Practices

The minimum of the range denotes exactly that -- the minimum salary that should be paid to an inexperienced qualified employee for performance of job. If at all possible, we should adopt this thinking as a permanent rule when setting salaries for new hires. In many cases the morale and productivity cost will exceed any savings that can be gained by hiring below the minimum.

Many new employees possess experience in their field and this also should be taken into consideration. In these cases, the salary should be a figure within the range, and the exact amount, of course, depends on the amount of experience.

(e) Maintenance

Data will be kept up to date by two SALARY MARKET SURVEYS per year, viz in MAY and SEPTEMBER.

Maintenance of the ranges will be an on-going function.

(f) Red Circle Salaries

Any salary falling beyond the maximum of the range designated that salary position will be termed a red circle salary.

The exception will be reported to management for their consideration.

To ensure this operation, and that of maintenance, the Personnel Manager will compare all official increases against the COMPANY JOB EVALUATION CHART.

(g) Cost of Living Analysis

Taken together with maintenance, and updating will be a regular analysis of cost-of-living trends. These analyses will be current the 1st of June, and 1st of October, each year.

ANALYSIS: COST OF LIVING: CURRENT 1ST JUNE, 1974

(i) Detailed figures relate to period 31st January, 1973, to 31st March, 1974; projected to 31st May, 1975. These figures are computed from and plotted on a Master Price Index Graph.

(ii) Base is 100 at 30th April, 1970.

(iii) 1973	<u>Weighted Average</u>	<u>Witwatersrand</u>	<u>Cape Town</u>
January	118,7	119,2	118,4
March	121,4	121,8	121,4
May	122,9	123,0	123,0
July	124,3	124,7	123,5
September	126,1	126,7	125,2
November	128,5	129,0	127,0
<u>1974</u>			
January	129,3	129,4	128,8
March	133,2	134,0	132,1
<hr/>			
<u>May</u>	<u>133,3</u>	<u>134,3</u>	<u>134,0</u>
<u>1975</u>			
<u>May</u>	<u>150,3</u>	<u>152,6</u>	<u>151</u>
	<u>12,75%</u>	<u>13,62%</u>	<u>12,68%</u>

The May, 1974, and May, 1975, figures are taken from the graph. The expected percentage increase for the price indices for the period 31 May, 1974, to 31 May, 1975, is as follows:

12,75%	13,63%	12,68%
--------	--------	--------

- (iv) On a projection basis, the expected percentage increase would satisfy a cost-of-living increase in real terms.
- (v) As comparison, Reserve Bank Price Index reflects an expected percentage increase of 13,20% (base is 100 in 1963, and is country-wide).

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COMPANY JOB EVALUATION CHART

LINE	RATE RANGE			ADMINISTRATION	TECHNICAL/PRODUCTION	SALES
	<u>Min</u>	<u>Mid</u>	<u>Max</u>			
1	82 (19pw)	103 (24pw)	129 (30pw)	Nil	Labourer (N 1)	Nil
2	102 (24pw)	127 (30pw)	159 (37pw)	Nil	Operators Teamleaders (N 2) (N 4)	Nil
3	126 (29pw)	157 (37pw)	196 (46pw)	Nil	Semi-skilled (N 3)	Nil
4	155 (36pw)	194 (45pw)	242 (56pw)	Female Clerk Cape Town (FC 1) Clerical Worker (MC1 + N6)	Chef High Level Operator (N 5)	Junior Telesales (FC 1) African Demonstrator (MKT 1A)
5	184 (43pw)	230 (54pw)	288 (67pw)	Supervisor Filing Department (MC 1) Supervisor Indian Staff at Willowton (--)	Nil	Telesales (FC 2) Female Sales Clerks (FC 2)

<u>Min</u>	<u>Mid</u>	<u>Max</u>	Credit Dept		Sales stats Clerk (females) (FC 3) Merchandisers/ Demonstrator (MKT 1A) African Sales Team (--)
219	274	343	Female Assistant (FC 3) Typist (ST 3) Telephonist (MC 3) Male Clerk at Willowton (--) Female accounting Staff (FC 3) Canteen Supervisor (--) Buyers Assistant (FC 3) Cashier (FC 3)	Nil	
6	(51pw)	(64pw) (80pw)			
261	326	408	Male Clerk Cape Town (MC 2) Secretary (ST 4) New Graduate (Arts & Commerce) (MISC 10) E.D.P. Machine Operator (E.D.P. 4)	Storeman (MC 2) Factory Clerk (MC 2) Laboratory Assistant (MFG 5) Operator (Process Worker) (W 15)	Despatch Clerk (MC 2) Senior Telesales (FC 4)
7	(61pw)	(76pw) (95pw)			
311	389	486	Secretary to the M.D. (ST 5) Personnel Officer (MC 3) Salary Officer (FC 4) Assistant to Credit Manager (MC 3) Specialist Clerk (Male) at Cape Town (MC 3)	Security Officer (MISC2) Laboratory Foreman at Willowton (--) Welder (W 6) Fitter and Turner (W 9) Electrician (W 10) Mechanic (W 11)	Driver Salesman (--)
8	(72pw)	(90pw) (113pw)			

9	Min	Mid	Max	Internal Auditor Clerical Section Leader at Cape Town Buyer: Cape Town Customs entry Specialist	() (MC 4) (MISC5) (MISC4)	Soapmaker Foreman-Production (MFG4) Foreman-Quality Control Production Planner New Graduate (Engineering)	() (MFG9) (MFG18) (MISC11)	Warehouse Supervisor Representative	(MC 4) (MKT 1)
	370	462	578						
				Accountant Grade II	(F 1)	Transport Manager Storeman/despach Willowton Foreman- Maintenance Chief Security Officer Chemist Senior	(MC 5) (MC 5) (MFG7) (MISC1) (SP 2)	Sales Distribution Supervisor Despatch Supervisor Representative to Bakeries Assistant to Merchandising Mgr	(MC 5) (MC 5) (MKT 2)
	10	440	550	688					
11				Accountant Grade I Buyer - Johannesburg Credit Manager	(F 2) (MISC8) (MC 5)	Industrial Eng Superintendent- Production	(MFG3) (MFG8)	Industrial Reps Regional Sales Supervisor Merchandising Mgr	(MKT 2) (MKT 4) (MKT 6)
	11	524	655	819					

12	Min 624	Mid 780	Max 975	Nil	Plant Engineer (MFG12) Production Manager at Cape Town and Willowton (MFG15) Chief Chemist (MFG14)	Sales Admin Mgr (MKT 8) Sales Manager at Cape Town (MKT 9) Marketing Mgr (MKT10)
13	739	921	1151	Accountant (F 3) Personnel Manager (P+IR1)	Production Manager Johannesburg (MFG15)	Nil
14	869	1086	1358	Nil	Plant Engineering/ Production Mgr (MFG13)	Nil

APPENDIX E

PERSONNEL GUIDE TO MANAGEMENT

ON

WAGE ADMINISTRATION

Epic Oil Mills (Pty) Ltd
Personnel Guide to Management

Reference PCB 210/73

WAGE PACKET

This wage packet has been designed to be of benefit to the (busy) line management team.

It represents only the "bones" of a detailed wage programme -- further information is readily available from the Personnel Department.

The packet consists of:

1. JOB-CONTENT DEFINITIONS AND SPECIFIC CATEGORIES FOR:

Grade	I	on page	241
Grade	II	on page	242
Grade	III	on page	243
Grade	IV	on page	245
Grade	V	on page	247
Grade	Teamleader	on page	249
Grade	"S"	on page	250
Grade	Driver	on page	251
Grade	Watchman	on page	252

2. RATE RANGES PER GRADED EMPLOYEES on page 253

3. SERVICE BONUS SCALE on page 254

4. COST CENTRES

Isando	on page	255
Selby	on page	256
Cape Town	on page	257

GRADE I

1. JOB-CONTENT DEFINITION: GRADE I

Jobs are routine and require definite skills. Decisions require a definite ability to co-ordinate and interpret facts. Works under spot check supervision. Use of discretion is allowed. Training of a general nature, plus on-the-job 2 - 3 months.

2. SPECIFIC JOB CATEGORIES

Grade I employee means an employee who is engaged in any one or more of the following activities or capacities:

- (a) Assembly of barrels for screw presses or similar machinery;
- (b) Assisting a process worker with the operation of a continuous soap making plant;
- (c) Attending to soap pans or control-boiling or initiating the graining out process, under the supervision of a foreman or a process worker;
- (d) Cook;
- (e) Driving a forklift within an establishment;
- (f) Compounder;
- (g) The making up of water phase and fat charges for margarine manufacture;
- (h) Receiving, issuing or storing engineering workshop or special tools;
- (i) Operating a centrifuge and making up of chemicals;
- (j) An employee who, under the supervision of a chemist, chemical technician process worker or a foreman, is engaged in routine chemical tests.

GRADE II

1. JOB-CONTENT DEFINITION: GRADE II

Jobs short-cycled, less repetitive. Decisions require co-ordination and interpretation of facts. Works without constant supervision. Limited use of discretion allowed. On-the-job training 1 - 2 months.

2. SPECIFIC JOB CATEGORIES:

Grade II employee: means an employee who is engaged in any one or more of the following activities or capacities:

- (a) Attending to the mechanical movement of oils, fats, soap, detergents, raw materials of by-products or attending to mechanical conveyors or such-like equipment;
- (b) Attending to valves, cocks or pumps;
- (c) Checking or recording particulars of output on warehouse receipts;
- (d) Driving a factory truck within an establishment;
- (e) First-aid dresser;
- (f) Measuring by dip-stick or mass-measuring (other than to a set scale) ingredients for soap, fats or similar preparations;
- (g) Operating a power-driven machine used for grinding, sifting, mixing, plodding, cutting, stamping, filling, closing or labelling or for wrapping or cartoning of finished products;
- (h) Operating a power-driven machine used for repairing or stitching overalls or filter cloths and bags;
- (i) Operating a power-driven machine used for making cardboard or paper canisters, cartons or bags;
- (j) Operating a power-driven but pedestrian controlled vehicle used for lifting or moving goods;
- (k) Painting drums by means of a spray gun;
- (l) Recovering oil from foots, soap-stock or residues;
- (m) Continual carrying of bags under arduous conditions.

GRADE III

1. JOB-CONTENT DEFINITION: GRADE III

Jobs are short-cycled but semi-repetitive and require some technical skills. Decisions governed by net standards and regulations. Works under minimal supervision. On-the-job training 3 - 6 weeks.

2. SPECIFIC JOB CATEGORIES

Grade III employee: means an employee who is engaged in any one or more of the following activities or capacities:

- (a) Boiler attendant working under supervision;
- (b) Binding wiring or strapping boxes, cases or other containers by hand or non-power-driven machine;
- (c) Branding, marking or stencilling addresses of consignees on boxes, bags, drums or packages for despatch;
- (d) Check-mass-measuring of filled containers;
- (e) Filling tins, casks, boxes, bottles, canisters or other containers by hand or hand-controlled feed to specified volume or mass where the employee exercises control, or mass-measuring containers;
- (f) Greasing or oiling plant, machines or vehicles, including motor vehicles, under supervision;
- (g) Inspecting filled or empty containers or other articles before wrapping, closing or packing for foreign bodies, torn wrappers, discoloration or other obvious defects;
- (h) Leading a stacking gang and placing the outertbags or other articles in order to bind the stack;
- (i) Making simple records on prepared forms of reading on dials or from mechanical counters;
- (j) Melting soap oils by steam process and pumping such oil to tanks;
- (k) Minding any power-driven machine (Packing machine);

- (l) Operating a power-driven press, washing machine or hyd-extractor;
- (m) Operating a power-driven goods elevator where starting and stopping of the elevator is controlled automatically;
- (n) Operating a power-driven machine used for cleaning or closing bags;
- (o) Operating a power-driven machine used for assembling or closing ready-cut corrugated cardboard or fibre board cartons;
- (p) Painting drums by hand;
- (q) Repairing trays, crates or boxes by hand;
- (r) Soldering;
- (s) Sorting or distributing mail or delivering or collecting messages or articles on foot or bicycle outside his employer's establishment;
- (t) Steam heating drums, tanks or pipes;
- (u) Waiter.

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GRADE IV

1. JOB-CONTENT DEFINITION: GRADE IV

Jobs are short cycles and repetitive and consists of a few (or series) of routine tasks. Decisions require simple reasoning, regular supervision. On-the-job training may extend from 2 - 6 weeks.

2. SPECIFIC JOB CATEGORIES:

Grade IV employee: means an employee who is engaged in any one or more of the following activities:

- (a) Affixing printed or ready addressed labels to wrapping materials, containers or packages by hand;
- (b) Assembling boxes or crates from shooks or ready prepared materials by hand;
- (c) Assembling or dismantling soap frames under supervision;
- (d) Assisting an artisan, handyman or machine handyman by holding articles or tools or otherwise working with him, other than by the independent use of tools;
- (e) Branding, marking or stencilling boxes, bags, drums or packages, other than item (b) of Grade III employee;
- (f) Cleaning by means of an industrial vacuum cleaner;
- (g) Cleaning, opening or closing filter presses or removing or replacing frames or filter cloths;
- (h) Cutting bar or toilet soap by hand;
- (i) Delivering or collecting messages or articles within an establishment, but excluding the distribution or sorting of mail;
- (j) Filling tins, casks, bags, bottles or other containers by hand or non-power-driven machine; filling to a set volume or mass where control is exercised automatically;
- (k) Inserting liners, printed matter, discsoar rings into lids or tins or other containers or glueing printed matter, other than labels, on containers;

- (l) Lime-washing, colour-washing or disinfecting compounds, latrines, outbuildings or similar buildings or structures;
- (m) Mending bags by hand or sewing bags by hand after they have been filled;
- (n) Opening or closing cocks or valves, under supervision;
- (o) Packing articles of a uniform suze and number into containers specially made to contain such articles; putting containers into cases, cartons or bags not for despatch;
- (p) Paddling or crutching soap during the boiling or cooling process;
- (q) Sorting empty bags for damage or dirt;
- (r) Straightening bent flanges of containers by hand;
- (s) Tightening or loosening nuts, bolts or screws by hand tools, under the supervision of an artisan, handyman or machine handyman.

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GRADE V

1. JOB-CONTENT DEFINITION: GRADE V

Jobs involve a few simple, highly repetitive tasks. Decisions are very simple, acts on specific instructions. No previous experience required on-the-job training varies from 1 - 3 weeks.

2. SPECIFIC JOB CATEGORIES

Grade V employee: means an employee who is engaged in any one or more of the following repairs:

- (a) Assisting on delivery vehicles, other than driving or effecting repairs;
- (b) Breaking down washing soda, sandstone or similar materials by hand or sieving materials by hand;
- (c) Cleaning, sweeping or washing premises or vehicles, plant implements, machinery, tools, utensils, containers, furniture, overalls, aprons, or other articles;
- (d) Closing wooden, corrugated, cardboard or fibre board boxes or cartons, tins, tubes or similar containers by hand;
- (e) Cooking rations, making tea or similar beverages or serving tea or other refreshments to employees, except as referred to in the definition "cook" or "waiter";
- (f) Cutting down, destroying or removing trees or vegetation or trimming hedges (gardener);
- (g) Demolishing buildings or other structures under supervision;
- (h) Discharging salt from glycerine evaporator boxes;
- (i) Emptying tins, casks, bags, bottles or other containers by hand, or shaking out bags;
- (j) Feeding materials by hand into elevators, conveyors or process vats, tanks or other vessels;
- (k) Sweeping roads or paths;

- (l) Lifting, carrying, unpacking, moving or stacking goods or articles of any description by hand, excluding the duties referred to in item (g) of the definition "Grade III employee" and item (m) of the definition "grade II employee";
- (m) Loading or unloading;
- (n) Loosening, taking out, breaking or spreading stone, soil, clay or sand by hand, digging trenches, foundations or other excavation work by hand;
- (o) Making, maintaining or drawing fires other than in steam boilers, or removing refuse or ashes, sorting clinkers;
- (p) Mixing mortar, concrete, stone or bitumen by hand or spreading concrete or bitumen by shovel, rake or barrow;
- (q) Opening or closing boxes, bales, bags, drums or packages other than by soldering;
- (r) Operating a pump or hoist by hand;
- (s) Planting poles or erecting wire fences, under supervision;
- (t) Pushing or pulling any vehicle or truck, other than by power-driven device;
- (u) Rubber stamping where no discretion is involved;
- (v) Skimming off soap from selected lyes, skimming fats or oils from settling tanks or traps;
- (w) Stirring ingredients in vats or pans by hand;
- (x) Tending animals or birds or minding vehicles;
- (y) Unpacking or opening corrugated fibre board or similar containers by hand, setting up ready made containers.

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GRADE TEAMLEADER

1. JOB-CONTENT DEFINITION: TEAMLEADER

Jobs are supervisory by nature and definition. Decisions require co-ordination and interpretation of facts, ensures communication up-and-down "the line". Ample discretion allowed. Training of a supervisory nature which is constantly upgraded.

2. SPECIFIC JOB CATEGORY:

A Teamleader is in charge of a group of Grade IV or Grade V employees with limited control over other graded employees.

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GRADE "S"

1. JOB-CONTENT DEFINITION: GRADE "S"

Jobs are routine but greater skill and experience are demanded. A degree of responsibility inherent in the job is required. Decisions are indirect and involve co-ordination of data (or facts) and interpreting instructions. Works independently without supervision at frequent intervals. General training and on-the-job training of a continuous nature.

2. SPECIFIC JOB CATEGORIES:

(a) Machine Operator:

means an employee who operates, attends, starts or stops a power-driven machine, who scrutinises or checks the work done by the machine, who may take minor running adjustments to the machine and who may feed into or take off from such machine, and the expression 'operating a machine' has a corresponding meaning.

(b) Plant Operator:

means an employee who is engaged in any one or more of the following activities:

- (i) Bleaching or deodorising edible oils or fats;
- (ii) Blending of edible oils or fats;
- (iii) Mechanical drying of soaps;
- (iv) Oil or fat splitting by Twitchell or similar process;
- (v) Operating, crushing or expelling machines;
- (vi) Operating a glycerine recovery plant with an evaporator;
- (vii) Operating a soap cooling plant;
- (viii) Preparing and issue of fat charges;
- (ix) Preparing crutcher charges for powder detergents;
- (x) Soap or detergent powder blowing or spray drying;
- (xi) Sulphonating or neutralizing materials required in the manufacture of powder or liquid detergents.

GRADE DRIVERS

1. JOB-CONTENT DEFINITION: DRIVER

Jobs require definite skills. Decisions require a definite ability to co-ordinate and interpret facts. Works un-supervised. Use of discretion is allowed. Driver training, plus on-the-job training of one month.

2. SPECIFIC JOB CATEGORIES:

Driver of a Motor Vehicle:

means an employee who is engaged in driving a motor vehicle, and for the purpose of this definition the expression 'driving a motor vehicle' includes all periods of driving and any time spent by the driver on work connected with the vehicle or the load and all periods during which he is obliged to remain at his post in readiness to drive.

Driver:

All drivers in charge of an articulated vehicle, the unladen mass of which does not exceed 15 tons; could also include combination vehicles.

Driver Grade "S"

All drivers in charge of an articulated vehicle which exceeds 15 tons, unladen weight. Such drivers perform their duties completely unsupervised. Duties include the transfer of oil and hydrogen. Essential that drivers of this grade be in possession of an extra heavy-duty licence.

(NOTE: Driver/Salesmen are defined as salaried employees, and not as graded employees)

GRADE WATCHMAN

1. JOB-CONTENT DEFINITION: WATCHMAN

Jobs are semi-repetitive and require reasoning ability. Decisions governed by net standards and regulations but have to be tailored for the situation. Works un-supervised. Training period one month.

2. SPECIFIC JOB CATEGORY:

Watchman:

means an employee who is engaged in guarding premises or property.

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RATE RANGES FOR GRADED EMPLOYEES

The following are the rate ranges for each specific grade. These ranges are effective to September, 1974, until further notice:

<u>Grade</u>	<u>Starting Rate per Week</u>
1	R23,50
2	R22,50
3	R20,00
4	R19,00
5	R18,00
Teamleader	R26,00
"S"	R35,00
Drivers:	
Driver	R36,00
Driver "S"	R40,00
Watchman	R19,50

Note:

These are starting rates for the specific grade ONLY. Merit increases within grades are catered for on the DATE RANGE SCHEDULE. This schedule is a Personnel Department document which in the interests of brevity, is not reproduced here. It is available on request.

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SERVICE BONUS SCALE

The payment of a service bonus to graded employees is as follows:

After completing 1 year of service:	R1,25	per week
After completing 2 years of service:	R2,00	per week
After completing 3 years of service:	R2,75	per week
After completing 4 years of service:	R3,50	per week
After completing 5 years of service:	R4,25	per week
After completing 6 years of service:	R5,00	per week
After completing 7 years of service:	R5,75	per week
After completing 8 years of service:	R6,50	per week
After completing 9 years of service:	R7,25	per week
After completing 10 years of service:	R8,00	per week

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COST CENTRE CODE LIST - FOR ISANDO

	<u>Code</u>
EXPRESSING, EXTRACTING, DECORTICATION	1040
REFINERY	1041
DRUM WASHING	1042
ENGINEERING	1043
LABORATORY	1044
STEAM GENERATION	1045
FATTY ACID DISTILLATION	1046
CANTEEN	1048
SECURITY	1049
CLEANING PROPERTY MAINTENANCE	1050
PENSIONERS	1051
GENERAL PRODUCTION	1052
STORES	1053
PACKAGING STOCKS	1020
CHEMICAL STOCKS	1021
RAW MATERIAL STOCKS	1022
FINISHED GOODS STOCKS	1023
WORK IN PROGRESS STOCKS	1024

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COST CENTRE CODE LIST - FOR SELBY

	<u>Code</u>
REFINING	2070
DEODORISING	2071
HYDROGENATION	2072
EMULSIONS AND BULK FAT PACKING	2073
MARGARINE	2074
INDUSTRIAL OILS	2076
WINTERISING	2077
NIBLETS, PEANUT BUTTER	2078
PACKETS FAT	2081
OIL FILLING	2082
CANTEEN	2083
CLEANING AND PROPERTY MAINTENANCE	2084
STEAM GENERATION	2085
LABORATORY	2086
ENGINEERING	2087
SECURITY	2088
STORES	2089
PENSIONERS	2090
TRANSPORT	2091
GENERAL PRODUCTION	2091
VAN SELLING	2110
WAREHOUSE	2111
GARAGE	2113
SELLING	2118
MERCHANDISING	2119
AFRICAN MARKET PROMOTIONS	2120
PACKAGING STOCKS	2015
CHEMICAL STOCKS	2016
RAW MATERIAL STOCKS	2017
FINISHED GOODS STOCKS	2018
WORK IN PROGRESS STOCKS	2019
CONSIGNMENT STOCKS	2035

CAPE TOWN - COST CENTRES

PAY POINT NO. 8

YARD	400
SOCIO-MED	402
ADMINISTRATION	404
CANTEEN	406
SECURITY	408
DELIVERY	410
WAREHOUSE	412
ENGINEERING	414
DRUM WASHING	416
REFINERY	418
DEODORISERS	420
EXPRESSING	422
LABORATORY	424
STEAM GENERATION	426
REFINERY	428
HYDRO PRODUCTION	430
HYDRO DEODORISING	432
FAT PACKING	434
INWARDS (STORES) HANDLING	436
OIL FILLING	438
MARGARINE	440
SALES	442

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APPENDIX F

EPIC OIL MILLS (PTY) LIMITED
EMPLOYEE BENEFIT PLAN

(Alhoewel hierdie boek alleenlik in
Engels aangebring is, sal 'n vertaling
in Afrikaans, op aanvraag,
beskikbaar gestel word).

PETER BERRY
JULY, 1973.

Many years ago, the money received by an employee in his pay envelope at the end of each week or month, represented his entire earnings. Today the pay cheque is only part of the remuneration. The other part is made up of benefits. Some of these, like Leave Pay or Sick Leave Pay, are as real as the money in the pay cheque, but others are not as easy to evaluate. This booklet will help you evaluate all the benefits you receive, and will enable you to explain the details of these benefits to your family.

I hope you find this booklet interesting and useful.

The Company reserves the right, at its discretion, to modify the plans should future events indicate that this is advisable.

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L K JAPHET

MANAGING DIRECTOR.

MEDICAL AID PLAN

Medical and Dental treatment for you and your family sometimes cost more than regular income can provide and it is for this reason that your Company has, by means of the Topmed Medical Aid Society, instituted a Plan to help you pay for Medical, Medicine, Dental and Hospitalisation expenses.

AM I ELIGIBLE FOR MEMBERSHIP?

All employees, under the age of 65 years, must apply for membership of the Topmed Scheme. Such membership includes your dependants.

An application form is completed on the first day of employment.

DOES IT COST ME ANYTHING?

The Plan is subsidized by the Company.

1. <u>Single Persons</u>	<u>Company will pay</u>	<u>You will pay</u>
On earnings up to and including R6 000 per annum	R1	for each R1
2. (a) <u>Married persons with or without dependants</u>		
(b) <u>Widowed or divorced persons with dependants</u>		
On earnings up to R4 800 per annum	R2	for each R1
On earnings between R4 801 and R10 000 per annum	R1	for each R1

Premiums payable to the Scheme are:

Single Members	R8,00 per month
Member with one dependant (adult or child)	R16,00 per month
Member with two dependants	R19,00 per month

Member and three dependants	R21,00 per month
Member and four or more dependants	R23,00 per month

By deducting the Company subsidy you will derive your monthly payment.
(Weekly wage earners pay their contribution per week).

WHEN CAN I COMMENCE CLAIMING?

You can commence claiming on the first day of the month following the date on which you joined the Company.

WHAT IS THE PLAN DEFINITION OF DEPENDANT?

The wife of a member; the child of a member; and, a member's unmarried child between the ages of 21 and 25 years who is a full-time student, and who does not receive regular remuneration in excess of R50 per month.

TO WHAT BENEFITS AM I ENTITLED?

1. General Practitioners

80% of the tariff of fees for visits, consultations, diagnostic examinations, treatments and non-surgical procedures.

2. Specialists

80% of the tariff of fees for visits, consultations, diagnostic examinations, treatments and non-surgical procedures, provided that, except in the case of an ophthalmologist, the above-mentioned services only qualify for benefits if the member or his dependant was referred to the specialist by a general practitioner or dentist.

3. Operations (except dental operations)

100% of the tariff of fees for surgical procedures and operations.
100% of the tariff of fees for anaesthetists at surgical procedures and operations.

4. Hospital fees

4.1 100% of hospital fees, subject to a maximum stay of 45 days during any financial year and maximum fees of R10,00 a day,

an provided that the member or dependant is under the supervision of a medical practitioner.

- 4.2 100% of theatre fees for operations subject to the following benefits:

Duration of operation up to 1½ hours	R25,00
Duration of operation more than 1½ hours and up to 2½ hours	R40,00
Duration of operation more than 2½ hours	R60,00

- 4.3 80% of the costs of medicine and injection material supplied by and in the hospital, including material used for intravenous feeding, subject to the maximum for medicine benefits according to clause 12.

5. Nursing Services

80% of the costs of nursing services provided that a medical practitioner prescribes nursing services by a registered nurse in the home of a member instead of a stay in hospital: maximum fees of R6,25 a day provided that the number of days for which nursing services are granted together with the period of a member's stay in hospital during any one year does not exceed 45, and that the patient is under the supervision of a medical practitioner. Special nursing services during a patient's stay in hospital do not qualify for benefits.

6. Confinements

6.1 100% of

- 6.1.1 the tariff of fees for surgical procedures and operations;
- 6.1.2 the tariff of fees for anaesthetists at surgical procedures and operations;
- 6.1.3 the costs of hospitalisation as indicated in paragraph 4 of this annexure, but subject to the provisions and restrictions set out in this paragraph.

6.2 80% of

- 6.2.1 the tariff of fees for visits, consultations, diagnostic examinations, treatments and non-surgical procedures of general practitioners and specialists;
- 6.2.2 the costs of nursing services as indicated in paragraph 5 of this annexure, but subject to the provisions and restrictions set out in this paragraph;
- 6.2.3 the costs of prescribed medicine as indicated in paragraph 8 of this annexure, but subject to the provisions and deductions set out in this paragraph.

6.3 Benefits in respect of confinements are subject to a maximum benefit of R100,00 per confinement and R200,00 per confinement by means of a Caesarean section, provided that:

- 6.3.1 the child's birth certificate accompanies the account concerned;
- 6.3.2 benefits are also payable if the child is still-born;
- 6.3.3 subject to the conditions of article 20(f) of the Act, no benefits are payable unless the member was a member of this scheme for an uninterrupted period of at least nine months before the rendering of service for which is claimed and that his wife was included as a dependant before the date of confinement;
- 6.3.4 the maximum amounts mentioned above include all ante-natal and post-natal treatment, hospitalisation, nursing services and medicine as well as all complications arising from the confinement.

7. Dental Services

- 7.1 80% of the tariff of fees for X-rays, examinations, extractions, prophylaxis, conservative dentistry and dental services in respect of the provision and repairs of denture, crown and bridge work, orthodontic treatment, maxillo-facial and oral surgery or treatment;
- provided that:

- 7.1.1 dentures, partial dentures and clasps which form a part thereof, do not qualify for benefits during the first 12 months of membership;
- 7.1.2 gold or other metal inlays in dentures or partial dentures do not qualify for benefits; and
- 7.1.3 stay and treatment in a hospital for the extraction of teeth qualify for benefits subject, however, to the restrictions set out in paragraph 4 of this annexure.

8. Prescribed medicine

8.1 80% of the costs of medicines and injection material provided that it is prescribed by a medical practitioner or dentist, but the exclusion of medicines and materials mentioned in paragraph 4.3 and 6.2.3 of this annexure and after deduction of R1,00 per prescription which is payable by the member himself, provided that:

- 8.1.1 the medicine thus prescribed, is limited to a month's supply for the benefit condition concerned;
- 8.1.2 the benefits for prescribed medicine do not exceed 80% of the price laid down in the standard pharmaceutical price list;
- 8.1.3 no claim is paid in respect of:
 - 8.1.3.1 patent, homeopathic, biochemical and secret medicines, patent preparations, herbs and household remedies;
 - 8.1.3.2 patent foods, including baby foods;
 - 8.1.3.3 tonics, habit forming drugs, tranquilizers, slimming remedies, sleeping-draughts and preventive preparations, as advertised to the public.

9. Blood Transfusions

100% of the costs of blood transfusions, (i.e. cost of blood, equipment and operator's fees) with a maximum benefit of R25,00 for all blood transfusions administered within 48 hours of each other.

10. X-Rays and Pathological Services

80% of the tariff of fees for X-rays, radio therapy and pathological services.

11. Medical Auxiliaries

80% of the costs for services rendered by a medical auxiliary with a maximum of 80% of the tariff of fees for consultations applicable to general practitioners. Such services rendered by a medical auxiliary, will except in the case of a registered optician, only qualify for benefits if the member is referred to the auxiliary by a general practitioner who must prescribe the number and nature of treatments and subject to a maximum of 15 treatments per financial year.

Services rendered by an orthoptist, will only qualify for benefits if such treatment is prescribed by an ophthalmologist.

12. Maximum Benefits

Save for the submaxima as determined elsewhere in this annexure, the monetary benefits which a member can receive in a financial year in respect of himself and/or his dependants are limited to R150,00 for dental services and R120,00 for medicines while, only during the financial year in which a member joins the scheme, total benefits are limited to R1 200,00; provided that, if the date of commencement of membership is after the first day of the financial year in which he joins the scheme each of the maximum benefits mentioned above decreases, in that year, in the ratio between the expired number of months of that year and 12.

In applying this clause, services other than those of dentists, but excluding the administering of anaesthetics by a medical practitioner, qualify for dental benefits, if provided or rendered for dental conditions. In all other cases such services qualify for medical benefits. Maxillo-facial and oral surgery which, in the opinion of Topmed is of a dental nature qualifies for dental benefits.

AM I ENTITLED TO TAX RELIEF?

Yes, the Scheme has been officially recognised by the Receiver of Revenue and tax relief is obtainable up to the limit set out in the Income Tax Act.

DO I HAVE A FREE CHOICE OF MEDICAL PRACTITIONERS?

Yes, members have a free choice of General Practitioners, Specialists, Hospitals, and Nursing Homes.

WHAT IS THE CLAIM PROCEDURE?

Claim forms are obtainable at all locations. All claims must be supported by original bills and receipts. Claims must be posted direct to:

Sanmed
P O Box 45
SANLAMHOF
Cape
7532.

... AND FURTHER?

The Personnel Department will gladly help you with any other problems you might encounter.

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VACATION AND HOLIDAY PLAN

HOW LONG IS MY VACATION?

Vacation is based on service:

<u>Service</u>	<u>Annual Vacation</u>
(i) Less than 1 year	1½ days for each month of service
(ii) 1 to 10 years	3 weeks per year
(iii) 10 years or more	4 weeks per year.

MAY I ACCUMULATE LEAVE?

No, as no portion of leave entitlement may be accumulated for purpose of long leave.

WHAT ABOUT LONG LEAVE?

No long leave will be granted as of right to any employee. Applications for long leave will, however, be considered by the Group Head Office where management believes this is merited.

WHAT ABOUT PUBLIC HOLIDAYS?

In addition to your annual vacation you are entitled to the following paid holidays each year:

Production Employees

New Year's Day	Ascension Day
Good Friday	Day of the Covenant
Republic Day	Christmas Day

Office Based Employees

New Year's Day	Family Day
Good Friday	Settlers Day
Easter Monday	Kruger Day
Van Riebeeck Day	Day of the Covenant
Ascension Day	Christmas Day
Republic Day	Boxing Day.

Should some of these fall while you are on your annual vacation, the extra day(s) will be added to your vacation entitlement, provided that the public holiday(s) falls on a normal working day.

WHEN DO I BECOME ELIGIBLE FOR LEAVE?

Your annual vacation becomes due after you have completed each period of 12 months continuous service, and must be taken within six months of falling due.

No employee will be permitted to proceed on annual leave, without prior approval from the management.

HOW DO I ARRANGE TO TAKE MY ANNUAL LEAVE?

Consult the Manager or Supervisor of your Department well in advance of the date on which you would like your leave to commence. Give your Manager or Supervisor about six months advance notice so that he can arrange the leave schedule without overloading other members of your Department with extra responsibilities.

CAN I SPLIT MY ANNUAL LEAVE?

This is not recommended, but it may become necessary for you to split your holiday period into two or more parts, or take annual leave before it becomes due to you. Should this happen you should consult the Manager or Supervisor of your Department as soon as possible.

WHAT PAY DO I RECEIVE WHILST ON HOLIDAY?

Whilst absent on annual vacation or on the stated public holidays you receive full pay at your normal salary rate.

CAN I RECEIVE PAYMENT IN LIEU OF LEAVE?

No, payment in lieu of vacations will be made as it is not Company policy to provide vacations so that additional income may be earned, but rather to provide opportunity to rest.

WHAT HAPPENS IF I LEAVE THE COMPANY?

You will receive vacation pay to compensate for any vacation you have earned for completed months of service but not already taken. Details of the method of calculation are held by the Personnel Department.

WHAT CONSTITUTES A "WEEK"?

For the purpose of the vacation plan a week is defined as five working days.

DO PRODUCTION EMPLOYEES RECEIVE COMPENSATION FOR FEWER HOLIDAYS?

Yes, it has been decided that a holiday bonus will be granted to all production employees, including garage personnel who earn up to R90,00 per week, or R390,00 per month.

-----ooOoo-----

RETIREMENT PLAN

To assure you of a lifetime income after retirement, the Company has established a Retirement Plan. The Plan provides a regular monthly retirement income.

AM I ELIGIBLE?

All permanent employees who, in the case of males, have not attained the age of 55 years and, in the case of females have not attained the age of 50 years.

WHAT DO I CONTRIBUTE?

Each contributory member to the Plan shall contribute 6% of his pensionable salary to the Scheme. Contributions shall be deducted from your salary or wage.

HOW MUCH WILL MY RETIREMENT INCOME BE?

When you retire from the Company, this Plan will provide a monthly retirement income for life.

The pension granted to a retiring member shall be equal to one-sixtieth of the salary/wage earned during the last five years prior to retiring.

WHEN IS MY NORMAL PENSION DATE?

Your normal pension date is the last day of the month in which you attain your 65th birthday in the case of males, and your 60th birthday in the case of females.

MAY I RETIRE AT AN EARLIER DATE?

Yes, a member who has not less than ten years continuous service may, with the consent of Management, retire after attaining an age ten years less than the pensionable age.

Since your monthly retirement income begins earlier than if you retired on your normal pension date the payments will be reduced as you will receive them over a longer period of time. The amount of your reduced

retirement income will depend on the number of years you have spent in the Plan and your age at the date of actual retirement.

CAN I ARRANGE FOR MY RETIREMENT CHEQUE
TO CONTINUE TO MY WIFE OR HUSBAND?

Yes ...

If a male member dies in service and leaves an eligible widow, she shall be entitled to:

- (a) a lump sum equal to his annual pensionable emoluments at the date of his death; and
- (b) a pension equal to one one-hundred-and-fortieth ($1/140$) of his final average emoluments for each year of the period which is the sum of
 - (i) his pensionable service up to the date of his death; and
 - (ii) the period in years and complete months from the date of his death up to the date on which he would have attained the pensionable age had he lived.

(This rule is subject to Pension Rules governing Medical Examination -- which are reflected in the Pension Fund Rules).

If a male pensioner dies and leaves an eligible widow, she shall be entitled to:

- (a) a lump sum equal to one-quarter ($\frac{1}{4}$) of his annual pensionable emoluments at the date of retirement and
- (b) a pension equal to three-sevenths ($3/7$) of the pension which he was receiving or would have been receiving if he had not commuted part of it.

If a male member or pensioner dies and leaves eligible children, a pension shall be granted in respect of them equal to two-thirds ($2/3$) of the pension payable to his eligible widow while there are two or more such children and one-third ($1/3$) of such pension while there is one such child.

If a female member or pensioner dies and leaves eligible children, a lump sum and pension shall be granted in respect of them of amounts not exceeding those that would have been granted if she had been male and had left no eligible widow.

WHAT HAPPENS IF I LEAVE EPIC BEFORE MY RETIREMENT DATE?

If a member who has not attained the pensionable age resigns voluntarily from the service or is discharged for unsuitability he shall be entitled to a benefit equal to the sum of:

- (a) his accumulated contributions;
- (b) a proportion of his accumulated past service payment depending on the number of completed years of continuous service.

DO I RECEIVE TAX RELIEF ON MY CONTRIBUTION?

Yes, under existing Tax Regulations your contribution to the Plan may be claimed as an allowable expense for tax purposes up to the maximum permitted in the Province in which you are resident.

MAY I COMMUTE ANY PART OF MY PENSION AT RETIREMENT?

The Trustees of the Plan, in their absolute discretion, may commute for a lump sum:

- (a) the whole of a pension that does not exceed R60,00 a year, or
- (b) at the request of a retiring member whose pension exceeds R60,00 a year, not more than one-third ($\frac{1}{3}$) of his pension.

WHAT HAPPENS IF I AM FORCED TO RETIRE DUE TO ILL-HEALTH?

If a member has not attained the pensionable age, is retired from the service by his employer, because it has been decided that he is incapable of efficiently discharging his duties through infirmity of mind or body not caused by his own fault, he shall be entitled to:

- (a) his pensionable service up to the date of his retirement;
- (b) the period in years and complete months from the date of his retirement up to the date on which he will attain the pensionable age if he lives; provided that he shall be medically examined at the expense of the Fund Plan, and determined by the Trustees.

HOW IS THE PLAN CONSTITUTED?

The Fund Plan is known as the Premier Milling Pension Fund, and was established on the 1st November, 1965.

The object of the Fund Plan is to provide benefits for employees and former employees of the employers on their retirement through age or ill-health, and for their dependants.

Rules of the Fund Plan are available from the Personnel Department -- these rules will answer your more specific questions.

-----ooOoo-----

SOCIO-MEDICAL PLAN

In the interest of yourself, your family and your future, Epic wants you to take care of your health, and consequently the Socio-Medical Plan institutes annual X-ray tests, and other periodical comprehensive medical check-ups. But these Epic benefits are voluntary and entirely free.

HOW DOES THE SOCIO-MEDICAL PLAN
RELATE TO THE MEDICAL AID PLAN?

In one word, supplementing, the Socio-Medical Plan is a free extension of the Medical Aid Plan.

-----ooOoo-----

SICKNESS AND ACCIDENT PLAN

When you can't come to work because you are sick or have an accident, you will still need salary or wages for you and your family to live, and so Epic has a Plan to cover you, should the necessity ever arise.

WHAT BENEFITS DO I RECEIVE?

Beginning with the first regular scheduled work-day of reported absence, an employee received from Epic a benefit equal to his regular salary or wage for a maximum of 12 days during any period of twelve consecutive months, and after these regular sickness and accident payment cease. Each case is considered individually.

HOW DO I MAKE SURE OF RECEIVING MY BENEFITS?

When an employee is absent for more than three consecutive work-days, he must submit a certificate of disability from the physician to be eligible for any further benefits for that particular absence.

CAN I RECEIVE WCA BENEFITS IN THE EVENT OF AN ACCIDENT?

Yes, if your sickness or accident entitles you to Workmen's Compensation, the Personnel Department will ensure that you receive such compensation in the shortest possible time.

DISABILITY PLAN

Any Epic employee who unfortunately suffers total permanent disability is eligible for benefits under this Plan. Coverage is for 24 hours per day.

WHAT ARE THE BENEFITS OF THE DISABILITY PLAN?

The benefits of this Plan are contained in Schedule 3 of the 24 hour stated benefits insurance policy, and are as follows:

<u>Death or Description of Disablement</u>	<u>Compensation</u>
(a) Death occurring within twelve calendar months from the happening of the accident.	(a) A sum equal to 104 times the Average Weekly Earnings.
(b) Permanent disablement resulting within twelve calendar months from the happening of the accident.	(b) Percentage of compensation A as detailed in Schedule 4.
(c) Total and absolute incapacity from following usual employment for a longer period than one week.	(c) A sum equal to 100 per cent of the Average Weekly Earnings for each week of such incapacity not exceeding 104 weeks (in addition to any sum payable by virtue of compensation A or B).
Total and absolute incapacity shall be deemed to have ceased when the injury or wound which brought about the incapacity has healed or been cured as far as is reasonably possible notwithstanding that permanent disablement may remain.	
(d) Medical, surgical or Hospital treatment incurred as the result of the injury within twelve calendar months from the happening of the accident.	(d) The Company will defray the reasonable expenses up to an amount not exceeding R2 000.

Schedule 4 of the policy is also applicable:

<u>Description of Permanent Disablement</u>		<u>Percentage of Compensation A as specified in Schedule 3</u>
Loss of two limbs	}	100%
Loss of both hands, or all fingers and both thumbs		
Total loss of sight of both eyes		
Total paralysis		
Injuries resulting in being permanently bedridden		
Any other injury causing permanent total disablement		
Loss of arm at shoulder		
Loss of arm at elbow		
Loss of arm between wrist and elbow		
Loss of hand at wrist		
Loss of four fingers and thumb of one hand		50%
Loss of four fingers		40%
Loss of thumb	both phalanges	25%
	one phalanx	10%
Loss of index finger	three phalanges	10%
	two phalanges	8%
	one phalanx	4%
Loss of middle finger	three phalanges	6%
	two phalanges	4%
	one phalanx	2%
Loss of ring finger	three phalanges	5%
	two phalanges	4%
	one phalanx	2%
Loss of little finger	three phalanges	4%
	two phalanges	3%
	one phalanx	2%
Loss of metacarpals	first or second (additional)	3%
	third, fourth or fifth (additional)	2%
Loss of leg	at hip	100%
	between knee and hip	
	below knee	

<u>Description of Permanent Disablement</u>		<u>Percentage of Compensation A as specified in Schedule 3</u>
Loss of toes	all	15%
	great, both phalanges	5%
	great, one phalanx	2%
	other than great, if more than one toe lost, each	1%
Eye: Loss of	whole eye	100%
	sight of	100%
	sight of, except perception of light	50%
	lens of	50%
Loss of hearing	both ears	75%
	one ear	15%

HOW ARE PAYMENTS MADE?

The Company consults with the employee and the payments are usually arranged to meet his particular needs.

SHOULD I TRAVEL OUTSIDE THE REPUBLIC

WILL I STILL BE COVERED BY THE PLAN?

Yes. Coverage is world-wide, but no payment will be made to an employee whilst flying as a member of the crew of an aircraft or for the purpose of undertaking any trade or technical operation therein or thereon.

-----ooOoo-----

TUITION REFUND PLAN

To help you develop personally, and to help you become more effective at your job and so open the doors to advancement with Epic Oil Mills, the Company has instituted a Plan which repays part of the expenses of off-hours educational activities you may take part in.

WHO IS ELIGIBLE TO TAKE PART?

You are eligible if you are a regular employee of Epic at the time you commence, and at the time you complete your course.

WHAT COURSES CAN I TAKE?

All courses or degree programmes may be approved by your manager if they are related to your job, or will help you develop with Epic. Courses which are part of an approved degree programme or are required to obtain Matriculation or other similar diploma may be approved regardless of job relationship. Modern foreign language courses are also eligible for tuition refund.

You may take as many approved courses as you wish during the academic year.

WHAT COURSES ARE NOT COVERED BY THE PLAN?

Courses which are given at a time which would interfere with your work schedule will not be approved. Nor will vocational or hobby courses be approved.

WHERE CAN I TAKE COURSES OF INSTRUCTION?

You can enroll at any college or university, high school, business or technical school. Correspondence courses, with a correspondence school which is accredited or known to be good standing, may be approved if no recognised local institution provides the instruction required, or if personal reasons prevent classroom attendance.

WHAT IS THE VALUE OF THE REFUND?

You will receive 100% refund of tuition, registration, laboratory or other similar charges each calendar year for approved courses completed successfully.

HOW DO I OBTAIN A REFUND?

First you should secure your manager's approval of any course you wish to take. If possible, apply at least three weeks before the end of the registration period for the course. Secondly, you must submit to your manager, as soon as possible after you complete the course, written evidence from the institution attended of (a) satisfactory completion of the course according to the institution's regular standards, and (b) the tuition fee you paid.

-----ooOoo-----

EDUCATION BURSARY PLAN

The considerable cost of higher education often presents a problem to parents. We, at Epic, would like to afford you the opportunity of sending your child (or children) to an Institute of Higher Education.

WHO MAY ENJOY THIS BENEFIT?

Applications will be entertained from any employee, irrespective of race or position within Epic Oil Mills Limited, who has been employed for a period of 5 years or more.

WHAT IS THE VALUE OF THE BURSARY?

Bursaries will be in respect of 75% of tuition fees for an academic year and for text books to the value of R100.

The bursaries will be reviewed on a year to year basis in the light of the results achieved by the student concerned. Bursaries will automatically cease if, in the opinion of the Trustees, a student fails to maintain acceptable academic standards.

Applications will be adjudicated by an independent committee of Trustees. This committee consists of three headmasters, one university administrator and a personnel consultant. The decision of this independent committee will be final and binding, and Epic management will therefore have no say whatsoever in the selection process.

WHERE ARE THESE BURSARIES TENABLE?

Bursaries will be available for study at any recognised university or technical college in South Africa, to be decided on by the applicant in consultation with the Trustee.

HOW DO I APPLY FOR A BURSARY FOR MY CHILD?

Special forms are obtainable from the Personnel Department. As these forms call for very specific information, you are advised to call for these forms at least two months in advance.

Members of the Personnel Department will assist you in the completion of the forms.

WILL I HAVE TO REPAY ANYTHING?

No. The 75% contribution toward tuition fees, and the R100,00 for text books are free.

You will still be able to claim tax relief under the tax provision for student dependants.

WHAT ABOUT SCHOOL-BOOKS?

Those African employees who have to pay for school-books can also enjoy some financial relief under the Education Bursary Scheme.

Employees with 5 years (or more) service may apply for financial assistance if their child (or children) is in standard 5 (or a higher standard) at the beginning of an academic year.

The cost of books prescribed for the academic year will be re-paid.

This benefit is applicable to schools in South Africa, the Homelands and neighbouring States.

Application forms are available from either the Personnel Department, or from Company Nursing Sisters.

-----ooOoo-----

MILITARY SERVICE BENEFIT PLAN

A regular, permanent, full time employee will be granted military leave of absence for the following:

- (a) Initial compulsory full time military training of twelve months duration.
- (b) Temporary active full time military service in connection with a civil emergency.
- (c) Compulsory recalls of three weeks per annum during the three years following the twelve months initial training.

Military leave of absence will not affect leave privileges, as noted under the Vacation and Holiday Plan. Military leave of absence will, furthermore, be at full pay.

-----ooOoo-----

HOME OWNERSHIP PLAN

Your home is indeed your castle!! Employees of Epic Oil Mills, will be assisted in every possible way to attain the "perfect state" of living in their very own home.

HOW DOES THE PLAN WORK?

Basically, Epic Oil Mills Limited will stand collateral for you, for that amount of money which is representative of:

(LESS)

Purchase Price of House

Bond raised at Accredited Building Society.

As the Scheme is very employee-specific, you should approach the Personnel Department for further details.

HOW DO I APPLY FOR ASSISTANCE?

In writing to the Personnel Department stating such details as:

- (a) Cost of house being purchased.
- (b) Location of house.
- (c) Building Society and Bond granted.
- (d) Are you selling a house; if so, selling price.
- (e) Length of service, position, and location.
- (f) Present salary and full financial position.

-----ooOoo-----

PRODUCT PURCHASE PLAN

To help you balance the monthly household budget, the Company offers you Company and Group Products at very reasonable cost prices.

Please approach the Sales Department for a list of products and relevant costs, as well as for an official order form.

As mentioned, this benefit extends to Group products (i.e. products manufactured by the Premier Milling Group of Companies).

-----ooOoo-----

COMPANY LOANS

Crises and emergencies; unpleasant, but sometimes unavoidable. During these unfortunate times, the Company will assist you with financial loans.

The following loans will be made available:

(a) Pension Loans

You may loan up to 1/3 (one-third) of your accumulated pension. Repayment is (obviously) interest free time-payment being at your own discretion.

Application forms are available from the Personnel Department.

Approval for this loan must be sought from your Divisional Manager (i.e. Production/Technical, Administration or Sales Head).

(b) Interest-bearing Company Loan

This loan is granted when you have secured approval from:

- (i) Your immediate supervisor
- (ii) Divisional Manager.

Such approval to be noted on the official application form which is obtainable from the Personnel Department.

Repayment is at an interest rate of 1% below the current Bank rate. Time-payment will be at the discretion of the Financial Comptroller.

(c) Non-interest bearing Company Loans

Meritorious cases will be approved by the Managing Director, or his official designate, to loan money from the Company at an interest-free rate.

The application will have to be substantiated in writing to the Personnel Department.

It is stressed that approval of this form of loan is the vested right of the Managing Director or his designate, and will only be granted in cases of dire need.

TRANSFER ASSISTANCE

Should you be transferred from one Company location to another, the Company will undertake to:

- (a) Meet the cost of the transport of household furniture to the new location (Three quotes must be submitted to the Personnel Department).
- (b) Pay an amount of money to cover re-location expenses. (This amount will be decided upon by the Management Committee -- each case will be treated on merit).
- (c) Pay all travel costs and hotel accommodation costs incurred during the transfer. The benefit to include the employee and his immediate family.

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APPENDIX G

EPIC OIL MILLS (PTY) LIMITED
Personnel Guide to Management

NOTES ON INDUCTION

to be used in conjunction with

"WELCOME TO THE NEW MAN"

(An Induction Programme)

1. WHAT IS INDUCTION?

W.R. Marks⁽¹⁾ defines induction as follows:

To help the newcomer to adjust as quickly as possible to the new social and working environment, in order to achieve maximum working efficiency in the shortest possible time.

It is helpful, in understanding and using to the best advantage this programme, that there are two distinct adjustments to be made by the new worker -- namely, to a new social group, and to a new work situation.

(i) The Social Group:

The newcomer enters as a stranger, into a group where everyone knows how to behave towards everyone else, and he is the outsider. The group will seldom be hostile, but will as seldom be helpful to the newcomer. In the absence of any formalities, the first moves are up to him, and he is very conscious of being on trial, and, what is worse, conspicuous.

(ii) The Work Situation:

Here too, he is conspicuous among people who all seem to be carrying out difficult tasks with apparent ease. Again, if left to their own devices, the "old hands" -- and the supervisor -- are unlikely to be very helpful, for the newcomer, initially at least, is more likely to be a liability than a help.

Clearly, the induction programme must be directed at the social factors as well as at the job itself. It is to these social needs that this audio-visual programme is suited. The programme (in essence) sets a tone of welcome and introduction. The "new man" is taken from the obscurity of the arriving crowds, made to feel rightfully important and then given full introduction to both the social group, and the new work situation.

Induction is primarily the integration of a new worker into a social group, and more important than anything else is the personal touch exercised during such integration.

2. WHY INDUCTION⁽²⁾

Having outlined the psychological complexities involved in Induction, allow me the paradox of contradiction: Induction need not be a complex, time-consuming process, and although the initial design and introduction may require some hard work, the procedures change little once they are established, and cost very little to run. It is perhaps more important to consider how much planned Induction can SAVE:

Suppose you employ 500 people, and your labour turnover is 80% per annum. (Not an excessive figure, for South Africa over 100% is by no means uncommon). This amounts to 400 leavers per annum, and suppose, further, that 200 leave before completing three months of service. Let us now assume, conservatively, that improved induction will retain half of these (100) and again conservatively, let us take the cost per separation as R100. Then, our saving of 100 leavers, through improved induction, is R10 000 per annum. If we further reflect that any saving in short-term losses will also operate to reduce our labour turnover in future, then it should be apparent that time and money spent on induction is very likely to be a good investment. This latter statement becomes more meaningful if we "cost out" the intangible items affecting the cost of labour turnover.

1. Loss of customer goodwill due to late deliveries.
2. Effect of high turnover on a firm's image in the labour market and hence on its ability to attract a good quality of worker.
3. Shallow potential in the labour force, due to a few persons surviving to fill the more responsible jobs.
4. High turnover prevents the formation of groups. Existing groups are broken up owing to re-deployment to cover turnover, and the stabilising influence of the group is lost.
5. Cost of lowered morale among those remaining.

3. HOW TO GO ABOUT THE INDUCTION PROGRAMME

At the outset let me stress that the recorded audio-visual programme which forms a package to this programme is but a part of fuller approach to Induction: The total Induction programme includes:

3.1 Pre-Induction Procedures

To a large extent, the foundations for successful induction can be laid during selection. The new worker enters the job with certain expectations, and, if these are realised, it is more likely that he will accept the job as he finds it. It is very important, therefore, not to "oversell" the job at the selection stage.

Not all factory workers are engaged after a pre-employment interview but for those who are, a few points can be noted:

- (i) Describe the job briefly and factually -- if his level of skill and importance warrants it, show him the job in the Department.
- (ii) Where possible, involve the foreman -- let him see the applicant. The foreman is more likely to be committed to the newcomer's induction if he has had a share in choosing him.
- (iii) Clearly set out hours of work, wage rates, overtime requirements, and policy on leave and public holidays. Don't gloss over snags -- the applicant will quite likely accept them as minor points if warned, but they can be blown up into big dissatisfactions later if he feels that he has been "had". If the job is not offered and accepted on the spot, advise the successful applicant as soon as possible.

3.2 The First Day -- Preliminaries

Two simple factors -- all too often overlooked -- must be stressed:

- (i) Be sure the supervisor, and anyone else involved, knows that the newcomer is due on that day. Comments from a harassed foreman, like "Oh no, not today of all days", to the new arrival, are not calculated to put him at his ease.
- (ii) Don't overload him with details on the first day. He is generally apprehensive and not receptive to large doses of factual material. His main concern will be with "What shall I be doing" and "With whom shall I be working".

3.3 The Induction Procedure

- 3.3.1 Assure the applicant he has the job.
- 3.3.2 Complete all necessary documentation.
- 3.3.3 Without much formal introduction show the audio-visual programme.
- 3.3.4 At the end of the programme extend YOUR personal welcome("I would like to join Mr Bloom and Japhet in welcoming you");
- 3.3.5 Highlight the following points; using an interpreter if need be. This task of highlighting employment conditions forms an integral link in the discipline chain -- as such, it should be delegated to a senior employee.

3.3.5.1 Hours of Work

Be sure that he knows the starting and stopping times, break times, and clocking procedures. Overtime policy should also be explained at this stage.

3.3.5.2 Pay Procedures

Explain pay day routine, and how his pay will be arrived at (rate minus deductions, incentive schemes, attendance bonus, etc.).

3.3.5.3 Safety

At this stage cover only the basic essentials necessary for safe passage in the plant, and his needs during the first few days. Detailed safety instruction in the factory, on the job.

The remaining two items do not need great emphasis at this early stage, but they should at least be mentioned.

3.3.5.4 Absence and Lateness Procedures

The specific company's policy and procedures covering absence and lateness should now be outlined. This should preferably not be handled as a cold, factual statement of policy. Rather, it should be emphasized to the new-comer that his attendance is important to his fellow workers, and, of course, for the smooth flow of production.

Include, for example, provisions for excused absence, penalties for absence (loss of bonus, no pay) and the procedure to be followed on reporting late, or reporting after absence. Sick pay benefits and medical aid can also be mentioned at this stage. Also emphasize such matters as the need for a doctor's certificate for longer absences.

3.3.5.5 Holidays

Explain leave provisions, and particularly, the position regarding public holidays.

3.3.5.6 Show the audio-visual programme again.

3.4 Induction -- On the Job

3.4.1 Introductions

The new employee will now be taken to the department

where he is to work. He will be introduced to his immediate supervisor. Note again: check whether the supervisor is ready to receive the new worker. It is better to have him wait in the personnel office, than hang about the working area, waiting for introductions.

3.4.2 The Workplace

The supervisor (properly briefed beforehand) now takes over, shows the new worker his workplace, introduces immediate work-mates and explains the job. Safety provisions are explained again, and a first task assigned.

3.5 Follow-up

This is linked with specific events. For example, with his first wage packet, the new employee receives instruction explaining rates and deductions, and he should be specifically asked if he is clear on the make-up of his pay packet. In the same way, there should be a follow-up on the occasion of his first lateness or absence. This is not the right time to blast him out of his shoes, but rather to remind him of policy on lateness and absence, and the procedures to be followed.

3.6 More Background

Wage scales, increases, promotion policy, training opportunity, incentives, etc. can be explained to newcomers at opportune times. These explanations are best handled through the liaison committee system.

4. ABOUT THE RECORDED AUDIO-VISUAL PROGRAMME

The script sets out to establish full integration in the following manner:

FILM INSERT

Every year many thousands of workers arrive to join us. They come from far away to join the Premier Milling Group of Companies. You are one of these workers. The big city is new to some of you -- and the company will be new to

all of you. But when you join us, we are going to make you welcomed, as a new man in our company. We want you to start and to stay with us.

PRESENTER

Greetings.

Hello. I am one of the Team Leaders in this company. My job is to help you feel at home in your new job -- to help you make a success of your new career. I will bring you information and directions from the Managers, of the company and the Directors. So, let's begin with a message of welcome from a Director of the company, Mr Tony Bloom.

PRE-RECORDED VIDEO INSERT:

Mr Tony Bloom

SELF EXPLANATORY

PRESENTER

Thank you, Mr Bloom. Perhaps I can repeat two important points made in Mr Bloom's talk. Wages -- money. Premier Milling pays more than its competitors; and certainly pays enough for you to live and to keep your family. Money is important to us all; and we carefully work out wages -- the more responsible the job, the better the pay. Training will give you all the opportunity to get a responsible job.

CAP - WORKER COMMITTEE

Secondly, Mr Bloom mentioned worker liaison committees. Later in your induction programme we will explain these fully. But remember -- the company wants to hear what you think

and what your problems are. Tell us
-- through these committees.

PRESENTER

But the programme deals with the other two points Mr Bloom mentioned. First, the basic training and induction into the clothing and equipment that you will need to do your job to your own satisfaction. Secondly, the benefits the company offers you.

What about our induction programme?

CAP - MAN RECEIVING
OVERALLS

Well, we give you clothing, to start with. These overalls protect you during work, and are washed by the company. We also provide you with a locker. Here you can keep your own clothes during work hours. The locker is yours -- but try to keep it tidy.

PRESENTER

CAP - WORKER CLOCKING IN

The next important point concerns the time you get to work, and the time you leave work. We need to know when you get to work -- and when you leave -- so that we know the hours you have worked -- and so calculate the pay you are going to get. When you arrive at work you should clock in, that is, you should put your work card into the clock, as shown here. And, when you leave, you do the same. Then we know the number of hours that you have worked, and we can calculate the money you should be paid.

PRESENTER

In a few moments we will tell you about the way in which you get paid -- that

interests us all! But, for the moment, let's think about a new idea -- the idea of safety -- steps you can take to prevent yourself from being hurt or injured on the job.

CAP - INTERIOR FACTORY

All factories have machinery in them -- and machinery can be dangerous. We -- you and I -- need safety regulations and protective clothing in case we get into trouble. We shouldn't -- not if we obey the regulations! But sometimes we don't always do this -- and so the company provides safety equipment.

CAP - FIRE EXTINGUISHER

Here's a fire extinguisher -- if a fire should ever start you should know. But we should -- all of us try to prevent this by observing signs telling us where fires might happen. The best fires are those that never start!

CAP - SIGN -
KEEP FIRE AREA CLEAR

PRESENTER

The protective clothing should be worn whenever you are told to do so. When you begin your jobs, all this will be fully explained to you. Some workers really have to dress up, though!

CAP - WORKERS IN FULL
SAFETY CLOTHING

(Pause) -- Well, you probably will never have to look like that -- but try to remember that when your team leader or supervisor tells you to wear the right clothing, he has a good reason -- listen to him. He knows what he is talking about. Now what about the benefits the company offers? There are many of these -- in fact, we can mention only a few in this programme.

PRESENTER

CAP - CANTEEN

Here's the canteen. The company provides you with very cheap food every day. The canteen is there for you to use -- for eating,

CAP - GROUP IN CANTEEN

and for meeting your friends. We know that people who have food to eat and friends to talk to are happy. We hope you will be happy.

PRESENTER

Then, we pay great attention to your health. Our free medical services are available to all workers. The company has several doctors.

CAP - DOCTOR/PATIENTS

They all work to see that you are in good health and take care of any accident you might have had in the course of your work.

CAP - NURSE DRESSING HAND

Nurses are also there to see your injuries. But remember -- you shouldn't really have any if you stick to the safety regulations.

PRESENTER

This programme has brought you just a few of the advantages and benefits that come from working for Premier Milling. You will be told much more about the job you have to do once you begin to do it. You will find that our team leaders and our other workers will be ready to help you. I think that there is a lot to be gained from working with us. But finally, the question we are all interested in -- how do we get paid for our work? Well, for most of us, wages are paid every Friday.

CAP - QUEUE FOR PAY

Of course, everyone always wants to get paid at one -- but, don't worry about the queue the money is always there.

PRESENTER

Mostly, you'll get a pay packet like this every week. It'll be full of the money you have earned - and you deserve it. Spend some of it,

CAP - MONEY FROM PACKET

and try to save some of it. You never know when you'll need it. But, as long as you stay with us, you'll be paid regularly, and there will be regular increases in pay.

PRESENTER

So we hope that you will settle down and stay with us. We need you as much as you need us. Meanwhile, let's have a last word from Mr Lance Japhet.

MR JAPHET -

PRE-RECORDED VIDEO INSERT SELF EXPLANATORY

5. VALIDATION OF THE AUDIO-VISUAL PROGRAMME

An essential strategic element in introducing television into training activities is to show willingness to initiate assessment, as well as to undertake or endure it.

This programme met the following assessment requirements:

5.1 Questionnaire used

Q U E S T I O N N A I R E

1. Could you understand the language used in the programme?

Very Clearly	Quite Clearly	Somewhat Unclear	Not at all clear
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2. Does the programme tell the "new man" all about our company?

Completely	In the Main	Not very Well	Not at all
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3. After seeing this programme will the "new man" feel at home in our company?

Very Easily	Quite Easily	With Some Difficulty	Not at all
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4. Is the programme an honest reflection of our company, and the benefits offered a "new man"?

Completely	In the Main	Not Very Much	Not at all
------------	-------------	---------------	------------

5.2 Sample

Randomly selected sample of Black employees used. The following sub-samples:

- 5.2.1 Team leaders and Liaison Committee members. (33 persons).
- 5.2.2. Urban Blacks (resident in Soweto) (40 persons).
- 5.2.3 Rural Blacks (contract employees) (20 persons).

5.3 Results

5.3.1 Team Leaders:	98%	acceptance
Urban Blacks:	96%	acceptance
Rural Blacks:	95%	acceptance
Average:	96%	acceptance.

-----ooOoo-----

- (1) W.R. Marks, Induction: Acclimatizing People to Work. (London: Institute of Personnel Management, 1971).
- (2) K. Choularton, Financial Effects of Labour Turnover. (London: Personnel Practice Bulletin, 22(4) 1966), p. 77.

APPENDIX H

EPIC OIL MILLS (PTY) LIMITED

SUPERVISORY MANAGEMENT SCHOOL

JOHANNESBURG

11TH NOVEMBER TO 15TH NOVEMBER, 1974

COURSE LEADER: MR CECIL STEIN

MONDAY THE 11TH OF NOVEMBER, 1974

Time

- 11.00 a.m. Opening of School by Mr L.K. Japhet
- 11.15 a.m. Objectives of School by Mr J.A. Bothma
- 11.30 a.m. Course outline by Mr P. Berry
- 11.45 a.m. Discussion on why you are here "A group discussion"
led by Mr C. Stein
- 12.45 p.m. Lunch at Hotel
- 2.00 p.m. Decision making film "In Charge of Men" (NDMF)
Discussion leader Mr C. Stein. ½ an hour to discuss the film.
- 3.00 p.m. Tea
- 3.15 p.m. A course in Leadership, Mr P. Berry
- (a) Evaluation
 - (b) Elements of Leadership (Lecture)
 - (c) Case study (Homework) Jim Hewett (IPM)
- 5.00 p.m. Close -- Day evaluation by Mr C. Stein.

-----ooOoo-----

TUESDAY THE 12TH OF NOVEMBER, 1974

Time

8.30 a.m. Report back on Leadership (Case study)

9.15 a.m. Film "Styles of Leadership" (IPM)

10.00 a.m. Tea

10.15 a.m. Seed, Expelling -- Extraction. Basic principles and methods of the initial processes, Mr C. Stein.

11.45 a.m. Depart for Isando

12 noon Lunch at Isando (Welcome by Mr Robbette)

12.30 p.m. Tour of Seed handling, Storage, Decortivating, Expelling and Extraction. (Messrs Robbette & Joubert)

4.30 p.m. End of tour. Questions -- return to Hotel.

5.00 p.m. Close -- Day evaluation by Mr C. Stein

8.00 p.m. Communications by Mr P. Berry

(a) Lecture -- the Supervisor's roll

(b) Audio visual Management's ABC (NDMF)

(c) Group discussion on communications with Black employees.

-----ooOoo-----

WEDNESDAY THE 13TH OF NOVEMBER, 1974

Time

7.00 a.m. Early breakfast

7.45 a.m. Refining -- basic principles and methods by Mr C. Stein

9.15 a.m. Depart for Isando

9.30 a.m. Tea at Isando

9.45 a.m. Tour of Refinery -- Messrs Robbetze and Bentley

12 noon Lunch at Isando

12.30 p.m. Questions on Refinery tour -- return to hotel

1.45 p.m. Safety: Safe working conditions and practices

(a) Lecture by Mr McGuire

(b) Discussion by Mr Wessels

(c) Film NOSA to be selected by Mr McGuire

3.15 p.m. Tea

3.30 p.m. Quantity control, production cost control and technical returns -- Messrs Robbetze and Joubert.

4.30 p.m. Budgets and Budgeting control by Mr Sangster

5.15 p.m. Close -- Day evaluation by Mr C. Stein

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THURSDAY THE 14TH OF NOVEMBER, 1974

Time

7.00 a.m. Early breakfast

7.45 a.m. Depart for Selby

8.30 a.m. Hydrogenation -- basic principles and methods, and Safety
by Mr C. Stein

9.15 a.m. Tour of Hydrogenation plant -- Mr Ludik

9.45 a.m. Deodorising -- basic principles and methods by Mr C. Stein

10.15 a.m. Tea

10.30 a.m. Tour of deodorising plant -- Mr Ludik

10.45 a.m. Warehousing, Despatch, Transport and Sales Planning
Lecture and discussion by Mr C. Stein.

11.30 a.m. Visit to Warehouse -- Mr Ehlers

12 noon Quality Control -- Lecture and discussion by Mr Pires and
Mr George

1.00 p.m. Sales Lunch (Host Mr Nidson)

1.45 p.m. A supervisory case study in practice --
"Productivity in the Margarine Department"
(Lecture and visit) by Mr C. Stein. Visit conducted by
Mr Marais.

3.00 p.m. Tea

3.15 p.m. Productivity (Ctd)

(a) Production efficiency lecture by Mr Southey

(b) Black Productivity lecture by Mr P. Berry

(c) Audio visual -- "A case study for Motivation"
"Motivation in the Sun" (S.A. motivational practices)

(d) Practical Services to Productivity --
Wage Administration by Mr Bosch.

5.15 p.m. Close -- Day evaluation by Mr C. Stein.

FRIDAY THE 15TH NOVEMBER, 1974

Time

8.30 a.m. Preparation for written examination at Hotel
10.00 a.m. Written examination
12 noon End of examination
12.15 p.m. Security at the plant by Mr A. Jack
12.45 p.m. Lunch (Host Messrs L.K. Japhet and J.A. Bothma)
2.00 p.m. Individual evaluation interviews by Mr J.A. Jordaan
3.30 p.m. Close of School -- Mr J.A. Bothma
4.00 p.m. Depart for Airport

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APPENDIX I

EPIC OIL MILLS (PTY) LIMITED

ATTITUDE QUESTIONNAIRES IN

Z U L U

S O T H O

AS USED IN ATTITUDE SURVEY

BY TRAINED INTERVIEWER

S O T H O

Ke entswe hore ke ikutlwe motlotlo kannete hoba sengwe kapa
karolo ho mokgatlo ona.

Ke ikutlwa ke le bonneteng ba ho tswara mosebetsi waka halelele
hang ha ke etsa mosebetsi o motle.

Ke tlwaetse ho hlola hore ke ma-emong a fe le moeta-pele aka.

Ka kakaretso kampani e re tswere hantle jwale ka ha ho hlokeha.

Ke nahana, ho rutwa mosebetsi ke tsela entle ya ho etsa mosebetsi
ho tswanetse ho ruta basebetsi ba-a kampaning ka tsebetso.

Ha ke eso utlwisise hore policy ya bomotho kampaning ke eng?

Mosebetsing oa ka ha fe fumane sebaka sa ho hlahisa tsebo ya ka.

Ha ke tsebe ho ihlola hore ke ma-emong afe le moeta-pele a ka.

Bongata ba basebetsi bo ka tlohela mona ha eba bo ka fumantswa
mosebetsi e metle tulong tse ding.

Ke nahana hore kampani e boikemise-tsong ba ho lefa basebetsi
hanyane hore e itokolle ka hona.

-----ooOoo-----

Z U L U

Ngenziwa ngempela ngizizwe ngiyinxhenye yaloluhlelo.

Ngizizwa nginesixathu esiqinisekile sokuwugcina umsebenzi wami kuphela uma ngiwenza kahle.

Kuyenzeka ngokwajwayelekile ngizibone ukuthi ngimi kanjani nongiphethe.

Kukonke inhlango isiohatha ngokunjalo na njengoba sifanelwe.

Ngicabanga ukuthi ukufundiswa kangcono ukwenza umsebenzi kufanele kunikezwe zonke izisebenzi zenhlango.

Angikaze ngazi ukuthi umgomo wenqubo ye nhlangano uyini.

Umsebenzini wami angilitholi ithuba lokusebenzisa ulwazi lwami.

Angikwazi ukubona ukuthi ngimi kanjani nongiphethe.

Idlanzi lezisebenzi lingashiya lapha uma lingase lithole umsebenzi kwezinye izindawo.

Ngicabanga ukuthi umgomo wenhlango ukukhikhela izisebenzi ngokuyimbijane ngokungase.

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APPENDIX J

EPIC OIL MILLS (PTY) LIMITED

WEEKLY PRODUCTION RECORDS
(BY COST CENTRE)

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